

Report of the working group on decentralisation March 2002



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**REPORT OF
THE WORKING GROUP ON
DECENTRALISATION**

MARCH 2002

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PANCHAYAT RAJ,
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"The success of democracy depends not only on the institutional forms that are adopted, but also on the vigour of practice. The political challenge for people around the world today is not just to replace authoritarian regimes with democratic ones. Beyond this, it is to make democracy work for ordinary people."

— Amartya Sen

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CHAPTER 1

INTRODUCTION

1.1. Though Panchayat Raj was declared as one of the strategies of decentralised governance in India, in the early years very few States took serious steps to operationalising this objective. Till the Mid-eighties, the system adopted in Karnataka was one of a strong state government and district administration. The district was recognised, as the basic administrative unit at which there was a measure of convergence of departments and implementation and coordination of their schemes. The Deputy Commissioner was the de-facto leader of the district administration and his office represented a convenient level of monitoring, coordination and control. District representatives of Government departments were also formally answerable to their departmental superiors at the State level for implementing Government plans and programmes. Though district planning was formally entrusted to recommendatory bodies of elected representatives such as the District Development Council, a large part of the planning and implementation process was directed from the top downwards.

1.2. By the early Eighties there was a growing realization that the top down centralized administration needed to be decentralised. The consensus veered towards entrusting district local elected bodies with the task of implementing development plans formulated at State or Central level. Karnataka was in the forefront of institutionalising this process of decentralisation and brought into effect the Zilla Parishads and Mandal Panchayats system from 1987 onwards. At that time, the initiatives towards decentralisation seemed to be the ideal answer to meeting aspirations for local self-governance.

1.3. Through the implementation of the Karnataka Zilla Parishads, Taluk Panchayat Samitis, Mandal Panchayats and Nyaya Panchayats Act 1983 in 1987, the process of decentralisation through the establishment of Zilla Panchayats and Mandal Panchayats was commenced. Five years later, with the passing of the 73rd and 74th amendments to the Indian Constitution in 1992, decentralisation came into its own in the Indian polity. The Constitution was amended to provide for constitutional validity and status for the decentralisation of local governance to a three-tier system consisting of a district tier, an intermediate tier and a village tier. These amendments, which came after considerable debate in the country, were quite revolutionary, especially in several States that still relied on a large measure of centralisation. People were to be given say in how their communities would develop; their elected representatives at the local level were to be empowered to act in the common interest. For Karnataka, the changes brought about by the 73rd and 74th Constitutional amendments did not look that revolutionary because of its earlier initiatives of 1987. However, the 1983 Act was further replaced by a new Act in 1993, the Karnataka Panchayat Raj Act, which brought the Karnataka system of decentralisation in line with the three-tier system envisaged in the Constitution.

1.4. If you stand still, you risk falling back.

1.41. The Karnataka Panchayat Raj Act of 1993 and its implementation has been a torchbearer for the rest of the country. Karnataka, along with the small state of Sikkim, is the state that has transferred functions, finances and functionaries with respect to all twenty-nine subjects that the 73rd amendment enjoins the State to transfer to PRIs. Karnataka is thus uniquely placed in regard to the empowerment of PRIs. However, even though Karnataka has had rich experience with extensive decentralisation and devolution of powers to Zilla, Taluk and Gram Panchayats, there

are still constraints and problems in the operation of the system. If true decentralisation means the transfer of political, administrative and fiscal responsibilities to locally elected bodies in urban and rural areas and the empowerment of communities to exert control over these bodies, this has not been fully achieved. An analysis of the functioning of Panchayat Raj in the State would clearly indicate that despite several attempts by the Government, civil society and other concerned players, PRIs have not fully emerged as people's institutions. Unfortunately, the distortions of the existing political systems at the state level have been replicated at the decentralised levels and a new class of power centres usually occupied by elites has emerged within the Panchayati system, undermining the spirit of democratic decentralization. The power relations among PRIs, the bureaucracy, MLAs and MPs have remained largely unchanged in spite of these decentralised institutions. There is poor definition of and considerable overlap in their roles among PRI tiers. The greatest problem seems to be elite capture and corruption. Quite often, decisions have not been transparent and the criteria for decision-making not clear, this being especially true of the system of transfers and postings of officials and entrustment of works for implementation. The system has not provided sufficient institutional mechanisms for enabling voters to hold their representatives accountable. Gram Sabhas have generally failed to ensure downwards accountability and there is poor social audit. PRI functioning has been beset with patronage politics. Insufficient attention to decision-making details has led to poor quality of decision-making. There has a universal tendency to divide funds equally among elected representatives for their constituencies, which limits the size, scale, reach and effectiveness of projects. Fiscal decentralisation has been poor and there is still a large measure of centralisation in plan formulation. More than 428 schemes are implemented through the PRIs with virtually no local discretion.

1.42. There is thus a need now to carry the process of decentralisation forward and make the transfer of the functions, finances and functionaries to PRIs absolute and effective and make them work with greater meaning for the people that they are meant to serve.

1.5. Our vision.

1.51. We believe that the ideals of decentralisation and the requirements of day-to-day governance are highly compatible; indeed they complement and reinforce each other. Yet decentralised governance cannot be static and fall into a rut; it demands constant and dynamic evolution to keep pace with changing aspirations of people and absorption of changes and innovations in technology and management processes, failing which the concept of decentralisation would not be fully served. Our vision for carrying decentralisation forward has been succinctly explained by Shri M. Y. Ghorpade, the Honourable Minister for RD & PR as follows:

"The cardinal principle is that what is appropriate at a given level of the three tier system should be done at that level and not unnecessarily at a higher level"

1.52. On this basis several broad thrust areas have been identified concerning decentralization - we quote from the Government order constituting the Working Group:

"The points listed below are indicative of subjects to which close attention should be paid while preparing the report

- Grama Sabhas,
- Grants and guidelines,
- Tax – non tax collection
- Transparency

- Accountability
- Social Audit – JamaBandhi
- Own resources
- Central and State Finance Commission's role,
- Ombudsman
- Consolidation of schemes
- Role of District Planning Committees
- User group and untied grants with guidelines
- Information and local planning
- Relationship of Bureaucracy and elected representatives
- CEO and officers of their departments
- Control, Supervision and follow up
- Monitoring
- Land Revenue
- Simple accounting systems
- Administration and Decentralisation
- Control over Personnel
- Managing Institutions – Schools and Dispensaries
- Three tier – Not hierarchical but interactive (sic)
- Five-tier system including State and Centre
- Rules and Notifications
- Role of NGOs and other Social groups
- Selection of beneficiaries
- Two way interaction
- Time frame for Panchayat Raj Reforms

The above points are only indicative focus points and any other points could be added on to them, in order to take a comprehensive and integrated view of the subject.”

1.53. Quite clearly, the Government wants the Working Group to take a comprehensive look at the entire gamut of issues that concerns decentralization and this is just as it should be. Because the issues listed above are closely interlinked and cannot be discussed in isolation, the we have classified them under six broad areas of emphasis as detailed below:

People's participation in Panchayat Raj Institutions:

- Empowering Gram Sabhas by defining with greater clarity the powers given to them and their responsibility, ensuring equitable and effective participation in them and evolving the modalities of their functioning;
- Selection of beneficiaries of different welfare and developmental schemes of the Governments.

Transparency and accountability in decision-making:

- Institution of Ombudsman;
- Social Audit – Jama Bandi;
- The right to information;

Role definition and activity mapping of PRIs:

- Defining the role of the three tiers of the Panchayati Raj System and making the necessary legislative and administrative changes to see that what is appropriately done at a particular level is done at that level;

Decentralised Planning by PRIs:

- Consolidation of schemes and coordination between departments;
- Role of District Planning Committees;
- Utilisation of own resources, pool funds and untied grants with guidelines;

Fiscal decentralization for effective planning:

- Role of Central and State Finance Commissions;
- Grants and guidelines for the devolution and utilisation of grants;
- Devising systems for tax and non-tax collection by PRIs;
- Land Revenue, its collection and utilization by PRIs;

Administrative Decentralisation:

- Relationship between the CEO and officers of other departments and control over PRI Personnel.
- Relationship between the Bureaucracy and elected representatives;
- Monitoring, Control, Supervision and follow up on implementation; and building Information systems that assist in local planning and project monitoring;
- Information Technology and Governance by Panchayat Raj Institutions
- User groups, NGOs and other Social Groups and their relationships with PRIs;
- Managing Institutions – Schools and Dispensaries;
- Devising simple housekeeping and accounting systems for PRIs;

1.6. As can be seen, the Working Group, in order to facilitate a comprehensive examination of strategies to meaningfully operationalise new, requisite decentralization initiatives, has treated the issues mentioned in the GO constituting it as indicative areas of reform. Several other issues have also been discussed, for instance the need to upgrade the quality of Grama Panchayat secretaries, or how business processes can be re-engineered in order to streamline local administration. This has been done with the intention of bringing the report as close as possible to a “user” manual, so that further time is not spent in working out details of implementing the suggestions made in the report. Towards facilitating this we have attempted to highlight the action points in each chapter in the form of tasks.

1.7. The penultimate chapter is on capacity building – we felt that this important aspect deserves a whole chapter to itself. All the reform that we suggest cannot be achieved unless people, their representatives and officials have the capacity and commitment to carry them out. The last chapter is devoted to the post-report strategy of sequencing the steps towards carrying decentralization forward within a specified time frame.

1.8. We have dispensed with the current fashion of preparing an executive summary, because an executive summary is often read as a substitute for the report. However, the subject of decentralization is so vast and the different aspects of it so closely interlinked that an executive summary cannot do justice to the reasoning behind the reform framework that we have proposed.

1.9. In the next chapter, we start with the foundation of the institutional structure on which effective people’s governance can be built, the institution of the Grama Sabha.

CHAPTER 2

PEOPLE'S PARTICIPATION IN PANCHAYAT RAJ INSTITUTIONS

2.1. Unlocking the potential of Grama Sabhas:

2.11. The cornerstone of any system of decentralised governance is people's participation. And yet, this is probably the most difficult aspect of quality in governance to achieve. In the context of the Panchayat Raj system, the institutional framework for guided participation has been in existence since long. The Constitution of India in Article 243-A makes the Gram Sabha an integral part of the Panchayati Raj system and provides for assigning functions to it and empowering it to perform such functions. However, Gram Sabhas are perhaps the most neglected institutions of all PR institutions. Every PR law gives a prominent legal position to the institution of the Gram Sabha, but in practice, this is only a formal obeisance. Often, one is told, the utopian concept of people getting together to solve their problems does not work in the cold reality of local politics and power structures. We believe that if the concept does not work, it signifies an essential failure of democracy and renders weak the entire edifice of decentralised democratic governance through Panchayat Raj Institutions that is built on this principle. To neglect the gram sabha is a sub-optimal developmental strategy. A well functioning institution of Gram Sabha could work wonders as an instrument of people's empowerment, in more ways that we may well imagine. The working group is convinced that all efforts towards effective democratic decentralization would be almost futile without making the Grama Sabha truly representative of the people, their aspirations and their management skills.

2.12. There are other immediate beneficial social consequences of empowering the Grama Sabhas and making them function effectively. While the Panchayati Raj system in Karnataka has certainly caused a large measure of political decentralisation, we cannot naively believe that social harmony prevails in villages. We must understand that Panchayat elections are often intensely fought and much groupism and animosity is caused during the election process. In the case of Grama Panchayat elections, the vanquished and the victor often live within reach of each other and local jealousies and rivalries linger. This further reinforces the fragmentation in village societies and rivalries often manifest themselves in biased beneficiary selection, aimed to keep out rival factions and voters. Empowering Grama Sabhas will surely dilute the discretionary powers of the Grama Panchayat members and reassert the character of villages as social units, regardless of for whom individuals vote.

2.2. The Current Position:

2.21. Section 3 of the Karnataka PRI Act of 1993 states **that subject to the general orders of the Government**, (please note therefore, that the Government can issue instructions for conducting Gram Sabha meetings periodically and more often), the Grama Sabha shall meet time to time but six months shall not intervene between any two meetings. It is the Grama Panchayat that has to convene the Grama Sabha, but if it fails to do so, then the Executive Officer shall convene the Grama Sabha.

The Grama Sabha has been assigned the following functions under the Act, namely,

- a. Mobilizing voluntary labour and contributions in kind and cash for community welfare programmes;
- b. Identification of beneficiaries for the implementation of developmental schemes pertaining to the village;
- c. Rendering assistance in the implementation of developmental schemes pertaining to the village.

The Grama Sabha is also empowered to make recommendations and suggestions to the Grama Panchayat on the following matters, namely,

- a. The annual statement of accounts of the Grama Panchayat,
- b. The report of administration of the preceding financial year;
- c. The last audit note and replies, if any, made thereto;
- d. The report in respect of development programmes of the Grama Panchayat relating to the preceding year;
- e. Development programmes proposed to be undertaken during the current year;
- f. The promotion of unity and harmony among all sections of society in the village;
- g. Programme of adult education within the village;
- h. Such other matter as may be prescribed.

The law also states that the Grama Panchayat shall give due consideration to the recommendations and suggestions of the Grama Sabha.

2.22. Under the law, the Government can prescribe the procedure for convening and conducting meetings of the Grama Sabha. However, the law prescribes that every meeting of the Grama Sabha shall be presided over by the Adhyaksha of the concerned Grama Panchayat and in his absence by the Upadhyaksha or any member of the Grama Panchayat.

2.23. While the law states that Gram Sabhas shall not be conducted at lesser than 6-month intervals, *it also recognizes the possibility that such Sabhas may not be called*, and therefore provides that if the Gram Panchayat fails to call for the meeting, then the Executive Officer can call for the meeting. There is another interesting provision in the Act, which states that in case the Grama Sabha fails to identify the beneficiaries within a reasonable time, the Executive Officer shall, in consultation with the Grama Panchayat, identify the beneficiaries. These provisions speak of the poor measure of confidence that even the law makers had on the capacity and interest of the Gram Sabha to perform its statutory duties.

2.24. In exercise of its powers of prescription, the Government issued the Conduct of Gram Sabha Rules in 1994, prescribing the manner of conduct of Gram Sabhas. However, these rules merely state that the meeting shall be called by the Secretary of the Panchayat with a week's notice, on the Adhyaksha prescribing the date and place, that the agenda shall be prepared and read to those attending the Gram Sabha and that decisions shall be as far as possible be taken on consensus. The rules also state that decisions shall be recorded and read over, and then a copy of it lodged in the Taluk Panchayat. Detailed non-statutory guidelines on the conduct of Gram Sabhas were issued by the Government in 1999. However, monitoring on whether these guidelines were followed at the field level had not been institutionalised. To sum up, from the legislative and administrative point of view, the following seems to be the case:

- a. The legislation gives Gram Sabhas a role by defining them. However, the legislation expresses a fear that the law may not be followed and straightaway provides for alternative mechanisms for the performance of some of the Gram Sabha's duties.
- b. In several important aspects, especially with regard to the budget, audit and performance of planned projects, the legislation gives only a recommendatory role to the Gram Sabha.
- c. The administration only pays lip service to making the Gram Sabha a meaningful part of Panchayati Raj. Guidelines are non statutory and administration does not monitor compliance with the guidelines.

2.3. Will one Grama Sabha do?

Even when a general enabling institutional mechanism exists for people's participation, one needs to still ask Professor Amartya Sen's question: what is the *vigour*

of practice? The 73rd amendment defines the Grama Sabha as a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of the Panchayat at the village level. This definition is repeated verbatim in the KPR Act 1993. However, the practice seems to vary in different parts of the state, with some parts still calling for a Grama Sabha for the Panchayat as a whole, whenever required. Inherently, the concept of having a single Grama Sabha for each Grama Panchayat is difficult to operationalise in practical terms. Imagine that a Grama Panchayat, consisting of five thousand voters, (which is the average size of a Grama Panchayat in Karnataka) calls a Grama Sabha and all its members attend. Certainly such a group would constitute a crowd and not a meeting and will not be able to take any meaningful decision on any issue that is referred to it. There is need to make the process of people's participation meaningful and intense and ensure that certain disadvantaged groups such as Scheduled Castes, Scheduled Tribes, Backward Classes and women do participate. While not detracting from the concept of the Grama Sabha as a constitutionally created body, we believe that institutional recognition of citizen groupings even below the Grama Sabha level will allow for a greater voice for the people.

2.4. Task 1:

The law can be restated to define clearly different levels of organisation of voters within the Grama Panchayat that provide ample opportunity for them to have a voice.

2.41. Section 2 of the Karnataka PRI Act of 1993 defines a "**Grama Sabha**" as a body consisting of persons registered in the electoral rolls *relating to a village* comprised within the area of Grama Panchayat. As stated earlier, this is a verbatim repetition of the definition in the Constitution. Section 4 of the Act states that a Panchayat may consist of a village or a group of villages that are notified according to the stated criteria by a competent person (the Deputy Commissioner) to be a Panchayat. A careful reading of these sections would thus make it clear that a Panchayat can have within its areas, *as many Gram Sabhas as there are villages that comprise it*. However, practice differs from place to place. In some areas, Gram Sabhas are not conducted for each village within the Panchayat. Another interesting feature is that a plain reading of section 3 of the Act, which speaks of *the* Gram Sabha, its functions and its powers, *implicitly recognises (through its grammar and sentence construction) that there can only be one Gram Sabha per Grama Panchayat, something that could contradict Section 2(16) as it stands now*. There is thus a strong case to explicitly provide in the law for different levels of organisation of voters, which would greatly aid the constitutional intent that the people should be given a right to intensively participate in the running of the Grama Panchayat. We therefore suggest that there could be two levels of organisation as follows:

2.42. Vasathi Sabhas:

In Karnataka, there are about 35,000 Revenue villages that are organised into 5659 Grama Panchayats. However, each such revenue village may comprise several

habitations or hamlets which as such, have no exclusive administrative unit assigned to look after their needs. While some hamlets consist of new extensions, most are Harijanwadas or Thandas where SCs & STs, indeed the poor, live. Under the current system, these people are often under-represented in the Gram Sabha, whether the Sabha is held for the Village, or for the Grama Panchayat as a whole. We propose that the law should provide that habitations can organize their own citizen groupings and consider and propose their own priorities of developmental works. However, in order to avoid confusion, we propose to refer to the hamlet citizen groupings as Vasathi Sabhas, distinct from Gram Sabhas. A question that would arise would be how should a Vasathi Sabha be delimited and organised. The most convenient method is to organise these Vasathi Sabhas around each elected member of the Panchayat. This would mean that each Vasathi Sabhas would be composed of the voters of each constituency of the Grama Panchayat and therefore, they would be akin to ward level sabhas provided for in certain PR legislations. The lead to call for and convene Vasathi Sabhas is that of the concerned Panch, who will also have the responsibility to chair the Vasathi Sabha meetings and conduct its discussions. We propose to provide for the minuting of Vasathi Sabha proceedings, as these are entered as the basis of discussion when a Grama Panchayat meeting is held.

2.43. The Grama Sabha:

Under the new setup, the Grama Sabha would consist of all the voters of the Grama Panchayat. It would thus be in effect a joint sabha of the various Vasathi Sabhas that comprise the Grama Panchayat's voters, each organised around the Panchayat Member that they vote into position.

While defining the two levels of citizens' groups we would emphasise that the objective is to increase the intensity of participation and not to open up areas of conflict between various levels of groupings. We would also emphasise that this arrangement enhances and refines the operation of the constitutional intent of people's participation. Neighbourhood groupings such as the Vasathi Sabhas are intended to strengthen Grama Sabhas, and enable a more intense discussion of priorities and programmes than can be expected in large meetings of the Grama Sabhas themselves. Grama Sabhas themselves are for broader consolidation of plans, schemes and priorities where necessary, dissemination of information among the people and for review of the action taken by the Panchayat on the recommendations of the Vasathi Sabhas.

2.5. Task 2:

Amending the law to provide minimum quorums for the Vasathi and Grama Sabhas.

2.51. After providing for voters to be organized into Vasathi and Grama Sabhas, we must ensure that they become truly representative of the village people, by enabling the maximum of participation. Participation in and empowerment of the Vasathi Sabha and

Gram Sabha go hand on hand and mutually reinforce each other, but we will have to accelerate this process. The first step in this regard is to make the necessary changes in the laws, rules and regulations so that we ensure better and more representative participation. The second is to launch a sustained and innovative awareness campaign that brings home to the people the importance of their participation in Grama Sabhas. The ideal way to tackle this apathy born out of ignorance is to work in tandem with rule making and publicity.

2.52. At present, the law does not prescribe any quorum for the conduct of a Grama Sabha. The lack of a quorum requirement enlarges the likelihood of elite capture – in ideal circumstances thus, at least twenty five percent of the people should participate in any citizen grouping. However, prescribing such a high quorum at both the Vasathi and Gram level may not be practicable at the moment and may be counter productive, as in the absence of a quorum, the only method that can be prescribed for holding the meeting is to adjourn it for a defined period, re-assemble and then proceed even in the absence of a quorum. The Subject Committee of the Legislature had made a suggestion that a minimum quorum of 100 could be insisted upon, which also is a modest beginning to ensuring greater participation. We suggest that a quorum of ten percent or twenty persons (whichever is lesser) can be insisted upon for a Vasathi Sabha. In the case of a Grama Sabha, the minimum quorum could be 10 percent of the voters that comprise it, or 100 voters, whichever is lesser.

2.6. Task 3:

Amending the law to provide that for a Vasathi or Grama Sabha to be validly held, a minimum of 50 percent of those present shall be women. SCs/STs shall also be represented in the proportion of voters belonging to these categories in the Grama Sabha.

Such a provision will ensure that even those whose voices are most likely to be unheard in such citizen's groupings are represented in sufficient numbers so that they can gain confidence and articulate themselves. Questions may be asked why we have suggested a 50 percent reservation for women. In 1987, when Karnataka became the first state in the country to give 33 percent reservation to women in the Panchayati Raj system, the same eyebrows were raised. Today, one can be justifiably proud that women occupy more than 40 percent of the seats in PRIs. However, there is the disturbing issue that several of these women still do not speak up, as they are still not in a majority, or are not confident of themselves. We believe that the time has come to give women their rightful place and make them feel at home and comfortable in their new role of administrators; and there is no better place to start than the level of Grassroot citizen groupings.

2.7. Ensuring that those who matter attend Vasathi Sabhas.

The objective of the Vasathi Sabha is to ensure more representation and meaningful participation of the voters in each constituency. While providing for these Sabhas would strengthen and increase the interaction between the elected representatives and their constituencies, their constitution per se does not ensure that representations made there are heard and responded to in the Grama Sabhas and Panchayat meetings. We find that elected representatives belonging to the disadvantaged sections are often unable to present and negotiate the concerns of their constituencies in Panchayat meetings. To facilitate the inclusion of the excluded and disadvantaged groups (SC, ST and women), it would be necessary at least during the initial phase after the legislation for Vasathi Sabhas is enacted, to ensure that all representatives of the Panchayat participate in each and every Vasathi Sabha. This will enhance their understanding of issues; problems and priorities of all the constituencies as also view them in the larger perspective of the Grama Panchayat as a whole. Presence of all members would increase the pressure from the voters on members other than their own representative for accountability and transparency, thus ensuring collective commitment to integrate concerns of all sections, particularly the marginalised. Suitable instructions could be issued to make participation of at least 2/3rds of the members of the Panchayat mandatory at Vasathi Sabhas where discussions on the perspective plan of the Grama Panchayat are held. Such a collective participation of the representatives provides them an opportunity to strengthen their constituency within the Grama Panchayat rather than their specific constituencies. This would enable them to overcome the limitations of rotation in reservations.

2.8. Task 4:

Fixing responsibility on convening the Vasathi Sabha on the concerned Grama Panchayat member.

We suggest that the responsibility to convene and conduct the Vasathi Sabha should be of the concerned elected representative. No member should be permitted to miss a Vasathi sabha in a particular constituency more than twice continuously.

2.9. Task 5:

The law can provide for more frequent citizen grouping meetings:

Under the law as it stands, not more than six months shall elapse between two Grama Sabha meetings. However, this has often been interpreted to mean that the Grama Sabha shall meet only twice a year. We propose that the law should provide for a minimum of four meetings in a year for citizen level groupings. Under the current system, the practice has often been that the Grama Panchayat decides the number, date and agenda of the Gram Sabha. Quite often, the agendas are removed from the interests and life of common people ensuing in poor attendance. We do not suggest that rigid guidelines ought to be issued regarding the precise dates on which the meetings ought to

be called – this is contrary to the spirit of decentralisation. On the other hand, we suggest that one predominant agenda could be taken up in each of the minimum of 4 Grama Sabhas that we propose should be held, as detailed below:

- a. The Grama Sabha for the first quarter of the financial year can review the audit report of the previous year as also consider the preparations made for the implementation of the action plan for the current year.
- b. The second Grama Sabha can monitor the progress in execution of the action plan, as also be the one where the Panchayat Jamabandi is held.
- c. The third quarter's Grama Sabha can be the one where the preliminary discussions regarding the action plan for the next year is discussed. By this time the Vasathi Sabhas would have declared their priorities and these would have been considered by the Grama Panchayat in a meeting. Thus the plan would be in an advanced stage of development and can be discussed by the Grama Sabha. The execution of the current year's plan would also be monitored.
- d. The last Grama Sabha for the financial year can finalise the action plan for the next year.
- e. As an additional measure of empowerment, we suggest that provision can be made for a special meeting of the Grama Sabha on a requisition by a stated number of members – we suggest a minimum requisition strength of 10 percent of the members of the Grama Sabha, provided that they shall also specify the agenda for the special meeting.

2.10. Empowering Vasathi and Grama Sabhas:

2.101. While we ensure that the law provides for Vasathi and Grama Sabha meetings to become more representative, we should also ensure their adequate empowerment. Currently the law spells out the powers and functions of the Grama Sabha very vaguely. We need to go back to basics here and once again pause and consider what we want each of the defined citizen groupings to do. We should then outline these functions, powers and responsibilities very clearly in the law, so that they do are not capable of variable interpretation to the detriment of the people.

2.102. Our first principle is that citizen groups should become effective accountability mechanisms for the Grama Panchayat. All voters of the Grama Panchayat are individual and collective stakeholders in everything that the GP does. The system of democracy and responsibility of representatives in the corporate set up can be adapted with great facility for devising the accountability mechanism by which Grama Panchayats are responsible to Grama Sabhas. Thus the concept of accountability of the Grama Panchayat to citizen groups would be something similar to the relationship of the Board of Directors of a

Company with the General Body of Shareholders. This general principle of accountability can coalesce into the following specific duties and rights of citizen groupings.

- a. *The Vasathi and Grama Sabha must know everything.* Citizens have a right to information, and only on this basis can they form informed opinions and take decisions. Thus a duty shall be imposed on the Grama Panchayat to bring the details of every scheme that is implemented at the Grama Panchayat level to the knowledge of these Citizen Groups using accepted and well recognized methods, the best being to conduct such citizen group meetings regularly and according to a prescribed schedule.
- b. The Annual plan of the Panchayat shall be brought to the Citizen Groups for approval;
- c. The funds position shall be brought to the notice of the Citizen Groups and they shall take broad decisions regarding fund management;
- d. Beneficiary selection shall be done by the Vasathi and Grama Sabha. The selected lists shall also be published for the knowledge of all.
- e. An assessment of financial, physical and social consequences of the expenditure incurred by a Panchayat shall be placed before the appropriate Citizen Group, so that people can assess whether money has been spent according to the plan that they have approved earlier.

2.11. Sequencing of meetings:

The Vasathi Sabhas could culminate in Grama Sabhas if necessary, where the outcomes of the discussions of the Vasathi Sabhas are further discussed and finalised in open fora with representative citizen groups. This would ensure and enhance the participation of all voters and facilitate collective decision-making processes. In order to facilitate the participation of citizen groups in decision-making processes of the Grama Sabha, it is imperative that the Vasathi Sabhas be held prior to the Grama sabhas. An appropriate maximum permitted time period between the two could be specified to prevent over-staggering of the conduct of the Vasathi Sabhas, which could dilute the purpose and content of these Sabhas. We suggest that the interval between meetings of the Vasathi Sabha and the Grama Sabha should not be more than two weeks.

2.12. Task 6:

Restating the law in order to fully express each of these rights, powers and duties of the Vasathi and Grama Sabha, as also the inter-se relationship between them.

2.121. Briefly stated, we suggest that the Vasathi Sabha be the forum where intense discussion throws up beneficiary selections and prioritisation of works within the area of the Sabha. The suggestions of the Vasathi Sabha would then go to the Grama Sabha, where they are considered and consolidated. These suggestions would then be dovetailed into the overall priorities of the Grama Panchayat. The Grama Sabha, being a larger body that in any case has got representation of members of the Vasathi Sabhas in the Panchayat would then become the body that is kept informed, is available for consultation and for broad approval of plans, programmes and works taken up by the Grama Panchayat. The Grama Sabha would be the appropriate level at which the Panchayat Jamabandi can be conducted.

2.122. We suggest necessary changes in the law to make this institutional mechanism clear and possible. Considering that section 3 of the Karnataka Act is brief to the detriment of clarity, we suggest that this section should be omitted and a new section that restates the law more clearly be inserted. The suggested draft of the law is included in the legislative amendments annexed to this report. Two detailed statements, the first contrasting the proposed legislative provisions for the Vasathi and the Grama Sabhas and the second explaining how the suggested law compares with the existing law and the *raison d'être* for the change are given below:

2.13. A comparative statement of the Vasathi Sabha and Grama Sabha provisions proposed

Vasathi Sabha	Grama Sabha
Insert Section 3A. that reads as follows: <i>“Vasathi Sabha.- (1) (a) Each Vasathi Sabha in the Grama Panchayat shall meet at least once in three months.”</i>	3. Grama Sabha.- (1) (a) Each Grama Sabha in the Grama Panchayat shall <i>“meet at least once in three months.”</i> <i>“Provided that the convener of a Grama Sabha may convene an extraordinary meeting, if a request is made by not less than ten percent of the members of the Grama Sabha with items of agenda specified in such request.”</i> Insert section “3(1) (b)”, which reads as follows:

“3A. (1) (b) Quorum for the conduct of Vasathi Sabhas:

The quorum of a Vasathi Sabha shall not be less than one-tenth of the total number of members of the Vasathi Sabha, or a hundred voters, whichever is lesser. Not less than half of the voters attending the Vasathi Sabha, shall be women. SCs and STs shall be represented in proportion to their population in the Vasathi Sabha.”

“3A (2) Powers, functions, rights and responsibilities of a Vasathi Sabha:-

(a) A Vasathi Sabha shall, subject to the manner and procedure as may be prescribed, exercise powers and perform functions as hereinafter described, -

(b) generating proposals and determining the priority of schemes and development programmes to be implemented in the area of the Vasathi Sabha and forward the same to the Grama Panchayat for inclusion in the developmental plans of the Panchayats;

(c) identifying the most eligible persons from the area of Vasathi Sabha for beneficiary-oriented schemes on the basis of criteria fixed by the Panchayat or the Government, and preparing lists of eligible beneficiaries in an order of priority and forward the same to the Grama Panchayat for inclusion in the

“3. (1) (b) Quorum for the conduct of Gram Sabhas:

The quorum of a Grama Sabha shall not be less than one-tenth of the total number of members of the Grama Sabha, or a hundred voters, whichever is lesser, provided that there are at least five members from each Vasathi Sabha within the Panchayat attending the meeting. Not less than half of the voters attending the Grama Sabha, shall be women. SCs and STs shall be represented in proportion to their population in the Gram Sabha.”

Omit the existing section 3 (2) and insert a new section 3 (2) that reads as follows:

“3 (2) Powers, functions, rights and responsibilities of a Grama Sabha:-

(a) A Grama Sabha shall, subject to the manner and procedure as may be prescribed, exercise powers and perform functions as hereinafter described, -

(b) generating proposals and determining the priority of schemes and development programmes to be implemented in the Grama Panchayat after obtaining and considering the recommendations and suggestions of the Vasathi Sabhas;

(c) identifying the most eligible persons from the area of Grama Sabha for beneficiary-oriented schemes on the basis of criteria fixed by the Panchayat or the Government, and preparing lists of eligible beneficiaries in an order of priority after considering the priority lists of individual beneficiaries sent by

<i>developmental plans of the Panchayats;</i> <i>(d) verifying the eligibility of persons getting various kinds of welfare assistance from Government such as pensions and subsidies;</i> <i>(e) getting information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting;</i> <i>(f) be informed by the Grama Panchayat of the rationale of every decision of the panchayat concerning the area of the Vasathi Sabha;</i> <i>(g) be informed by the Grama Panchayat of the follow up action taken on the decisions of the Vasathi Sabha and the detailed reasons for not implementing</i>	<i>the Vasathi Sabhas;</i> <i>(d) dissemination of information on development and welfare programmes and rendering assistance in effective implementation of development schemes by providing facilities locally available;</i> <i>(e) providing feed-back on the performance of development programmes, including defects, if any, in the original programme and suggestions for improvement;</i> <i>(f) rendering assistance to the panchayat in collection and compilation of details required for formulation of development plans, collecting essential socio-economic data and canvassing participation in health, literacy and similar development campaigns;</i> <i>(g) getting information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting;</i> <i>(h) be informed by the Grama Panchayat of the rationale of every decision of the panchayat concerning the area of the Grama Sabha;</i> <i>(i) be informed by the Grama Panchayat of the follow up action taken on the decisions of the Grama Sabha and the detailed reasons for not implementing</i>
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<i>any of the decisions;</i> (h) <i>providing and mobilising voluntary labour and contributions in cash and kind for development programmes and supervising such development works through volunteer teams,</i> (i) <i>Resorting to moral persuasion of Vasathi Sabha members to pay taxes and repay loans;</i> (j) <i>suggesting the location of streetlights, street or community water taps, public wells, public sanitation units, irrigation facilities and such other public amenity schemes within the area of the Vasathi Sabha;</i> (k) <i>identifying the deficiencies in the water supply and street lighting arrangements in the Vasathi Sabha area and suggesting remedial measures;</i> (l) <i>imparting awareness on matters of public interest such as cleanliness, preservation of the environment and prevention of pollution;</i> (m) <i>co-operating with the employees of the Village Panchayat in the sanitation arrangements in the area and rendering voluntary service in the removal of garbage;</i> (n) <i>promoting the programme of adult education within the Vasathi Sabha area;</i>	<i>any of the decisions;</i> (j) <i>providing and mobilising voluntary labour and contributions in cash and kind for development programmes and supervising such development works through volunteer teams,</i> (k) <i>Resorting to moral persuasion of Grama Sabha members to pay taxes and repay loans;</i> (l) <i>suggesting the location of streetlights, street or community water taps, public wells, public sanitation units, irrigation facilities and such other public amenity schemes after considering the suggestions of the Vasathi Sabhas;</i> (m) <i>identifying the deficiencies in the water supply and street lighting arrangements in the area and suggesting remedial measures after considering the suggestions of the Vasathi Sabhas;</i> (n) <i>imparting awareness on matters of public interest such as cleanliness, preservation of the environment and prevention of pollution;</i> (o) <i>co-operating with the employees of the Village Panchayat in the sanitation arrangements in the area and rendering voluntary service in the removal of garbage;</i> (p) <i>promoting the programme of adult education within the village;</i> (q) <i>assisting the activities of school betterment sanghas in the area of the Grama Sabha;</i>
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(o) assisting the activities of public health centres in the area, especially in disease prevention and family welfare and creating arrangements to quickly report the incidence of epidemics and natural calamities;

(p) promoting harmony and unity among various groups of people in the area of the Vasathi Sabha and arranging cultural festivals and sports meets to give expression to the talents of the people of the locality;

and such other matters as may be prescribed from time to time.

3A (3) A Vasathi Sabha shall in its meeting, discuss the budgetary provisions, the details of plan outlay and the subject-wise allocation of funds, as also the details of the estimate and cost of materials of the works executed or proposed to be executed in the area of the said Vasathi Sabha.

3A (4) The annual statement of accounts of the preceding financial year, the last audit note and replies thereto and the panchayat jamabandi report and action taken thereto shall be placed for the consideration of the Vasathi Sabha in its meeting. The views, recommendations or suggestions of the Vasathi Sabha shall be communicated to the village Panchayat. The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Vasathi Sabha.

3A. (5) The procedure for convening and conducting the meetings of the Vasathi

(r) assisting the activities of public health centres in the area, especially in disease prevention and family welfare and creating arrangements to quickly report the incidence of epidemics and natural calamities;

(s) promoting harmony and unity among various groups of people in the area of the Grama Sabha and arranging cultural festivals and sports meets to give expression to the talents of the people of the locality;

and such other matters as may be prescribed from time to time.

3. (3) A Grama Sabha shall in its ordinary meeting or a special meeting convened for the purpose, discuss the budgetary provisions, the details of plan outlay and the subject-wise allocation of funds, as also the details of the estimate and cost of materials of the works executed or proposed to be executed in the area of the said Grama Sabha.

4. (4) The annual statement of accounts of the preceding financial year, the last audit note and replies thereto and the panchayat jamabandi report and action taken thereto shall be placed for the consideration of the Grama Sabha in its meeting. The views, recommendations or suggestions of the Gram Sabha shall be communicated to the village Panchayat. The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Grama Sabha.

3 (5) The procedure for convening and conducting the meetings of the Grama

Sabha shall be such as may be prescribed.

3A. (6) Every meeting of a Grama Sabha within the Grama Panchayat shall be presided over by the member elected from the concerned Vasathi Sabha and in his absence by any member of the Grama Panchayat.

3A. (7) The officers of the Village Panchayat shall attend the meetings of the Vasathi Sabha as and an officer specifically nominated by the Panchayat as the co-ordinator of the Vasathi Sabha shall assist in convening and conducting its meetings, in recording its decisions in a minutes book and also in taking follow up action thereon.

3A. (9) Resolutions may be passed on majority basis in the meetings of the Vasathi Sabha in respect of any issue coming under the jurisdiction of the Vasathi Sabha. In the absence of a consensus, the issue shall be put to decision through a secret ballot."

Sabha shall be such as may be prescribed.

3. (6) Every meeting of a Grama Sabha within the Grama Panchayat shall be presided over by the Adhyaksha of the concerned Grama Panchayat and in his absence by the Upadhyaksha or any member of the Grama Panchayat.

3. (7) The officers of the Village Panchayat shall attend the meetings of the Grama Sabha as may be required by the Adhyaksha, and an officer specifically nominated by the Panchayat as the coordinator of the Grama Sabha shall assist in convening and conducting its meetings, in recording its decisions in a minutes book and also in taking follow up action thereon.

3. (8) A Grama Sabha may appoint, elect or constitute sub-committees consisting of not less than ten members of whom not less than half shall be women and not less than one third shall be members belonging to the Scheduled Castes and Scheduled Tribes, for in-depth discussion of issues and programmes for effective implementation of schemes, policies or decisions of the Gram Sabha and in furtherance of the rights and responsibilities of the Grama Sabha.

3. (9) Resolutions may be passed on majority basis in the meetings of the Grama Sabha in respect of any issue coming under the jurisdiction of the Grama Sabha. In the absence of a consensus, the issue shall be put to decision through a secret ballot."

2.14. A comparative statement of the current sections and the proposed sections in the PR Act relating to the Vasathi Sabha and Grama Sabha

Current section	Proposed section	Rationale for the change
the report in respect of development programmes of the Grama Panchayat relating to the preceding year and development programmes proposed to be undertaken during the current year;	generating proposals and determining the priority of schemes and development programmes to be implemented in the area of the Citizen's Grouping ;	The purpose of the redrafting is to have a greater degree of precision as to what precisely a Citizen's Grouping should do with respect to formulating and planning development programmes.
identification of beneficiaries for the implementation of developmental schemes pertaining to the village: Provided that in case the Grama Sabha fails to identify the beneficiaries within a reasonable time, the Executive Officer shall, in consultation with the Grama Panchayat, identify the beneficiaries;	identifying the most eligible persons from the area of Citizen's Grouping for beneficiary-oriented schemes on the basis of criteria fixed by the Panchayat or the Government, and preparing lists of eligible beneficiaries in an order of priority,	This modified section again spells out the rights and duties of the Citizens' Grouping with greater precision as compared with the present section. The law as proposed makes a distinction between the identification of most eligible persons and then prioritising as to who amongst them should get benefits first, when there are not enough to go around in a particular year.
	verifying the eligibility of persons getting various kinds of welfare assistance from Government such as pensions and subsidies;	The second aspect, of verifying the persons who are getting subsidies and pensions is a kind of peer policing.
rendering assistance in the implementation of developmental schemes pertaining to the village.	Dissemination of information on development and welfare programmes and rendering assistance in effective implementation of development schemes by providing facilities locally available;	Again the attempt is to state things with greater precision.

Current section	Proposed section	Rationale for the change
	providing feed-back on the performance of development programmes, including defects, if any, in the original programme and suggestions for improvement;	This is inserted to bring home an important responsibility of the Citizens' Grouping
	rendering assistance to the panchayat in collection and compilation of details required for formulation of development plans; collecting essential socio-economic data and canvassing participation in health, literacy and similar development campaigns;	This is essential. When one is working towards giving so many powers to the Citizens' Grouping, it is best to also explicitly state out the responsibilities that they have towards effective plan formulation.
	getting information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting; be informed by the Grama Panchayat of the rationale of every decision of the panchayat concerning the area of the Citizens' Grouping; be informed by the Grama Panchayat of the follow up action taken on the decisions of the Citizens' Grouping and the detailed reasons for not implementing any of the decisions;	Again, the purpose of the redrafting is to have a greater degree of precision as to what precisely a Citizens' Grouping should know and what rights it has.

Current section	Proposed section	Rationale for the change
mobilising voluntary labour and contributions in kind and cash for the community welfare programmes;	<i>providing and mobilising voluntary labour and contributions in cash and kind for development programmes and supervising such development works through volunteer teams</i>	Slight redrafting to provide for a greater ambit for the provision.
	Resorting to moral persuasion of Citizens' Grouping members to pay taxes and repay loans;	We often have inflated expectations about Panchayats' capacity to mobilise local resources through taxes. Elected members of these councils are often reluctant to impose taxes on the villagers who elect them – lest they become unpopular. We need to explicitly state that gram sabhas have an important role in resource mobilisation. This could be a prelude to Grama Sabhas being empowered to consider taxing themselves. Since no one is elected to the Citizens' Grouping, no one needs to worry about not being re-elected because they have become unpopular. This could result in at least modest increases in resource mobilisation.

Current section	Proposed section	Rationale for the change
	suggesting the location of streetlights, street or community water taps, public wells, public sanitation units, irrigation facilities and such other public amenity schemes; identifying the deficiencies in the water supply and street lighting arrangements in the area and suggesting remedial measures;	This section is largely adapted from the Kerala decentralisation report. There is no corresponding section in the Karnataka Act. However, this section will go a long way in empowering the Citizens' Grouping. Public Amenities and their location are hotly contested issues in Local Bodies and empowering the Citizens' Grouping, is important. One issue that requires discussion and resolution through the current legislative amendments is the status of the neer-panchayat with the Citizens' Grouping.
	imparting awareness on matters of public interest such as cleanliness, preservation of the environment and prevention of pollution,	This, and the next, are important functions assigned to the Citizen groups.
	co-operating with the employees of the Village Panchayat in the sanitation arrangements in the area and rendering voluntary service in the removal of garbage;	
programme of adult education within the village;	programme of adult education within the village;	This provision is continued unaltered.

Current section	Proposed section	Rationale for the change
	assisting the activities of school betterment sanghas in the area of the Citizens' Grouping;	This may need to be explicitly stated for the following reasons: a. Education comprises the largest expenditure in the district sector; b. Karnataka's task force on education report proposes further decentralisation of Primary school monitoring to the Panchayat level and greater involvement of local parents and PRIs, a matter that our working group fully supports and intends to operationalise.
	Assisting the activities of public health centres in the area, especially in disease prevention and family welfare; and creating arrangements to quickly report the incidence of epidemics and natural calamities;	This needs to be explicitly stated.
the promotion of unity and harmony among all sections of society in the village;	promoting harmony and unity among various groups of people in the area of the Citizens' Grouping;	
such other matter as may be prescribed.	such other matters as may be prescribed <i>from time to time</i> .	

Current section	Proposed section	Rationale for the change
	A Citizens' Grouping shall in its ordinary meeting or a special meeting convened for the purpose, discuss the budgetary provisions, the details of plan outlay and the subject-wise allocation of funds, as also the details of the estimate and cost of materials of the works executed or proposed to be executed in the area of the said Citizens' Grouping.	In the rules we have proposed that this meeting should be the last meeting for the year, so that there is good progress and we break the cycle of late planning.
(<i>recommendatory</i>) The annual statement of accounts of the Grama Panchayat, the report of administration of the preceding financial year and the last audit note and replies, if any, made thereto; (3) The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Grama Sabha.	The annual statement of accounts of the preceding financial year, the last audit note and replies thereto and the panchayat jamabandi report and action taken thereto shall be placed for the consideration of the Citizens' Grouping in its meeting. The views, recommendations or suggestions of the Gram Sabha shall be communicated to the village Panchayat. The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Citizens' Grouping.	The section is now clearer in its content and specifically mentions the five documents that are essential for the Citizens' Grouping to properly appreciate the accounts and performance, both physical and financial, of the Panchayat. These documents are: a. The annual statement of accounts of the preceding financial year, b. the last audit note, c. replies to the last audit note, d. the last panchayat jamabandi report, and the action taken on the last panchayat jamabandi report
The procedure for convening and conducting the meetings of the Grama Sabha shall be such as may be prescribed.	The procedure for convening and conducting the meetings of the Citizens' Grouping shall be such as may be prescribed.	No change is proposed

Current section	Proposed section	Rationale for the change
Every meeting of the Grama Sabha shall be presided over by the Adhyaksha of the concerned Grama Panchayat and in his absence by the Upadhyaksha or any member of the Grama Panchayat.	The Grama Sabha shall be convened by the Adhyaksha or Upadhyaksha; the Vasathi Sabha shall be convened by the concerned Panchayat member.	The section is redrafted to ensure again that the principle of one Grama Sabha for each village in the Grama Panchayat is not lost in drafting of the law
	The officers of the Village Panchayat shall attend the meetings of the Grama Sabha as may be required by the Adhyaksha, and an officer specifically nominated by the Panchayat as the coordinator of the Grama Sabha shall assist in convening and conducting its meetings, in recording its decisions in a minutes book and also in taking follow up action thereon. A similar mechanism is also provided for the Vasathi Sabha	One of the main problems expressed in Districts where the Grama Sabhas are conducted for each village within the Panchayat is that there is no stated procedure or obligation for the Grama Sabha to be attended by elected representatives and officials of the Panchayats. Recording of decisions of a Grama Sabha is also something that should be explicit, since the very process of documentation is itself a tool of empowerment. This has also been provided for in the rules.

Current section	Proposed section	Rationale for the change
	Resolutions may be passed on majority basis in the meetings of the Grama Sabha in respect of any issue coming under the jurisdiction of the Grama Sabha. In the absence of a consensus, the issue shall be put to decision through a secret ballot. (Similar provision for Vasathi Sabha)	Almost all our laws and discussions on any Citizens' Grouping aggressively promote the cause of consensus. In our opinion, consensus is often anti-democratic. Democracy needs articulation of the minority voice too. Thus one should not protect any Citizens' Grouping from the possibility of a secret vote, if there is found a necessity for it. A Secret ballot does give courage to the minority voice and can often overturn an imagined consensus. The law needs to be explicitly stated in this regard.

2.15. Will it work?

2.151. While the rationale for each change has been elaborated above, the purpose of rewording the law is to state with a greater degree of precision what Vasathi and Grama Sabhas should do with respect to formulating and planning development programmes. The same is the case with the duties and responsibilities of the Vasathi and Grama Sabha. However, are the objectives that we seek to achieve too utopian? We are quite aware that difficulties may inevitably arise from the sheer range and complexity of the tasks being devolved on to Vasathi and Grama Sabhas. Can such Sabhas consisting of everyone in impoverished villages really undertake the onerous list of responsibilities that are we now propose they should be assigned? Can they actually contribute to a meaningful exercise of planning or monitoring the execution of development programmes? Will we be actually be able to manage to monitor things, see when a huge number of sabhas in widely dispersed villages are failing to shoulder these burdens, and then provide assistance? (Conversely, do we have to 'manage' people to exercise their rights?) Will secret ballots actually be conducted when unanimity is unobtainable in Vasathi and Grama Sabha meetings, which will now occur every quarter? If this does not happen, will field level bureaucrats be able to discover this and respond effectively?

2.152. Many are the doubts expressed about citizen groups' ability to cope with such overload and this lies behind the bias in favour of representative over direct democracy. The issue finally boils down to allegiance to an article of faith – that in the eyes of our Constitution, all of us are equal and need to be treated as such. We must share the conviction that capacity is best built not through training modules, but by the actual devolution of responsibilities.

2.16. In the next chapter we proceed to examine the issue of redefining the roles of each tier of our Panchayat Raj Institutions.

CHAPTER 3

TRANSPARENCY AND ACCOUNTABILITY IN DECISION MAKING

3.1. Introduction:

3.11. One of the main observations about the working of Panchayati Raj Institutions has been that political decentralisation and empowerment of these institutions has not led to a far enough transparency in decision making. It was probably hoped that the very process of decentralisation itself would lead to transparent decisions, and certainly some excellent conventions have developed over the years in the functioning of Panchayati Raj institutions to this effect; for instance, the press is allowed to attend ZP meetings where a full discussion takes place on a number of developmental issues. And yet, there is a growing feeling that the planning process that deals with a number of programmes that concern development, further complicated by a maze of heads of accounts and sub-heads of accounts, obscures real development issues from the gaze of the people. The formula for improving PRI functioning in this area would follow a four-fold path; simplify, inform, review and hold accountable for non-performance or mal-administration.

3.12. We propose to deal with the issue of simplifying the planning process in a subsequent chapter. Suffice to say here that the planning process needs to be de-jargonised and made understandable by common people. Parallel with the simplification of the planning process we suggest institutional mechanisms through which the people can have a right to secure information about the execution of plans and programmes. The final aspect is that of providing an institutional mechanism for ensuring upward accountability. The latter two issues are dealt with in this chapter.

3.13. Logically, the best method of accountability is to empower people with the right to be informed and the power to review and guide. In the previous chapter we have stated out the Group's strategy for empowering the Grama Sabha as a part of people's empowerment. At the level of the Grama Panchayat, there can be no greater accountability than this. Yet, even given that the Grama Sabha would be substantially empowered, a right to recourse to an institutional mechanism that gives speedy relief to the aggrieved effectively bolsters such empowerment. Elements of direct democracy, which are practicable at the Grama Panchayat level cannot be applied at the TP and ZP level. Grama Sabhas cannot be organised to whom ZPs and TPs are accountable; moreover, the clientele of these bodies are probably not as homogenous in terms of commonality of interest as a Grama Sabha. Thus while a particular focussed programme implemented by the ZP may not have any particular importance for the general public it may be vitally important for the target group concerned. Consequently, the importance of

downward accountability mechanisms at the intermediate and district level is overtaken by the need to have mechanisms that provide for upward accountability.

3.14. In this chapter, we discuss the mechanisms we propose for effectively meeting the citizen's right to information and accountability of PRI institutions to them.

3.2. Empowering the citizen through information:

3.21. A vital and important aspect of ensuring accountability is to recognize the citizen's right to information and devise systems that ensure her easy access to it. Transparency is an organic part of the decentralisation process and when we re-engineer administration to facilitate decentralised governance, transparency should find an automatic place in the new set up. First, we must realise that we are not doing any great favour to the citizen by ensuring transparency. The right to information is already clearly enshrined in our democratic institutions in ways that we take for granted; the legislative process is open to the public and so is the Legislative Committee's system of examining the executive's performance. The basis of the judicial system is the right of information; all concerned parties have the right to know the documents that are relied on before a decision is taken and decisions themselves are backed by an explicit and detailed justification based on facts and precedents. In such a situation, the fact that the executive still should debate whether the people have a right to be informed is paradoxical. Surely, one does not doubt that several sensitive matters that concern sovereignty and national security cannot be made public, but it does not make sense to keep information on development, decisions on and expenditure of public funds outside the scrutiny of the citizen.

3.22. There is a greater urgency that concerns putting in place an institutional mechanism to operate the right to information when we speak of PRIs. Eventually, it will be the PRIs through which power will flow upwards from the people to those who profess to govern. In our scheme of things, the empowerment of the Grama Sabhas will transform the collective body of people from passive recipients of aid and support to having a pro-active role in determining their developmental destiny. This empowerment cannot have any meaning if the flow of information to the people is restricted.

3.23. It is a natural presupposition that if the right to information is to have any meaning, information itself will have to be systematised and packaged in a manner that makes sense to those who seek it. But this is easier said than done. Just as in the case of most government offices, PRIs and the offices that work under them are hardly people-friendly. A thick veil of secrecy hides inefficiencies, arbitrariness, corruption and nepotism from public gaze. To worsen arbitrary decision-making, the process of recording decisions has deteriorated considerably. When there is a great deal of arbitrariness in decision making at the local level, records will not show how the choice was arrived at or whether various options and possibilities were analysed and on which criteria the prioritisation was done.

3.24. Two illustrations exemplify this unsatisfactory state of affairs. The first is the widespread preference for roads or other contractor oriented works under schemes such as Jawahar Grama Samvrudhi Yojana, Employment Assurance Schemes or Untied Funds. While some of these reasons for this preference may be justified, such as the visibility of the asset or technical simplicity of construction, quite a few of these works are driven by contractors rather than any local need. The second example is the widespread tendency to break up estimates for a particular work into sub-estimates that are individually below the threshold level where it is mandatory to call for tenders. This facilitates implementing agencies to go in for piecework – a practice that reeks of patronage.

3.25. Probably the most insidious ill effect of the secrecy that surrounds executive action in PRIs is seen in the selection of beneficiaries for subsidy schemes. The logical transparent sequence ought to be the laying down of the selection criteria, publicising them, calling for applications through the Grama Sabha, processing them with reference to the criteria, making selections and ending with publicly explaining the rationale of the selection made. However, we are not any closer to achieving this logical ideal even after fourteen years of decentralisation.

3.26. There are a variety of reasons that have contributed to this state of affairs - pressure of work, imprecise instructions from above, untrained staff, ineffective supervision, impractical procedures and corrupt intentions. When such is the case, some may argue that opening this maze to the common man through bringing in a right to information may not make any sense, least of all to him. However, the very existence of a legally enforceable and actionable management information system in the PRIs would remedy these maladies and initiate the process of educating the people in institutional management.

3.27. In these circumstances, we underscore the need to ensure that fairness at the cutting edge has to be seen and corroborated by full disclosure, whatever may be the inconvenience and cost involved for the administration. We also believe that such standards of disclosure have to be uniform at all PRI levels; it would be iniquitous to enforce transparency at the lower level while retaining unhealthy secrecy at a higher level. We now proceed to suggest the tasks before us in putting the right to information to practice in the PRI context.

3.3. Task 1:

Bringing in the legislative changes necessary to explicitly state out the right of information and how it will operate in the PRI context:

3.31. In Karnataka, a Right to Information Act has already been passed by the legislature and the rules are under consideration. The Act explicitly states out that in case

any other legislations state out how the right to information is to operate in a particular context, then such particular law will apply in preference to the generic legislation of the right to information. We thus have two choices, either to operationalise the generic Right to Information act through administrative action, or to insert appropriate legislative changes in the Panchayat Raj Act that state out how the right to information will operate in the PRI realm. We would recommend the latter course for the sake of clarity, easy understanding and extreme effectiveness and have accordingly suggested a format of the law for inclusion in the Panchayat Raj Act. In our view there is no contradiction between the Right to Information Act and the provisions we have suggested for inclusion in the Panchayat Raj Act.

3.4. Task 2:

Classifying information into three categories, namely, (i) those that shall always be provided suo moto, (ii) those that can be provided on payment and (iii) those that need not be disclosed.

3.41. We suggest that ordinarily information should be given and exceptions should be clearly defined. Most categories of information relating to plans and programmes, their progress in implementation, functions and responsibilities, decision making processes, statutory applications, procedures, concessions, services and financial matters should be suo moto provided at each relevant tier of the PR system. In addition to this, practically every information at the PRI Level should be available for scrutiny, note taking and providing copies to the public on payment, so as to neutralise the increased administrative costs that will result from a likely growth in the public demand for information. In order to ensure that the normal functioning of the administration is not affected, up-to date storing and retrieval systems will have to be adopted. We believe that the very pressure of providing information will itself lead to simpler file maintenance systems and remove the current confusing overlapping levels of scrutiny.

3.42. A certain kind of information may need to be still kept away from public view. For instance, information relating to contracts where giving of information before finalising would either harm or benefit individual interests, action affecting enforcement of a regulation or information that compromises an individual's right to privacy can be kept confidential. Wherever there is refusal, the reasons have to be given and there would be a general right of appeal.

3.5. Task 3:

Detailing the manner of publicising suo moto information at each tier:

Once the parameters of what information should be suo moto disclosable are determined, the manner of publicising them should also be stated out. Here too, the simplest methods are the most effective. At the Grama Level, there can be no better

method than a simple notice board. However, we believe that unless a standard format is prescribed, the Board itself becomes a method of obscuring information rather than enlightenment. We therefore believe that standard formats; bearing a distinctive design can be developed for Village Boards. It may not be possible for all information regarding the Grama Panchayat to be placed on a single board, ideally, as much information regarding the Panchayat can be placed on boards in each village within it.

3.6. Task 4:

A special procedure can be adopted for informing the Grama Sabha with regard to the selection of beneficiaries:

We have already described how our reforms aim at empowering Grama Sabhas. The draft section 3 suggested by us will entrust the responsibility of not merely selecting beneficiaries to the Grama Sabha, but will also enjoin upon them the process of listing them out in order of priority; this is essential in order to ensure continuity of selection. True, initial steps in this process will be painful and may seem inconvenient to administrators, but we cannot place their convenience at a rung higher than ensuring distributive justice. One thing we must remember is that when we insist that Grama Sabhas list out beneficiaries in order of priority, the first few such exercises may take time, but subsequent listings are easier done since the priorities are valid for subsequent selection and the Grama Sabha needs to only add fresh names to the list, without disturbing the order. While in this manner we will ensure that the Grama Sabhas contribute meaningfully to the process of beneficiary selection, the right to information should be invoked in ensuring that the Panchayat does not overturn the lists and priorities made out by the Grama Sabhas. Thus a special board, listing out the beneficiaries selected under each programme will have to be displayed. This can be distinct from the one displaying the details of schemes that will be undertaken in the Panchayat, their outlays and their executors.

3.7. Ensuring upward accountability:

3.71. Cynics are fond of pooh-poohing decentralisation in India on the ground that all that is decentralised is corruption, and it is therefore important that we devote great thought to devising accountability mechanisms that ensure that this does not happen. The best point to start would be to analyse the reasons why such a widespread negative impression about PRIs has taken root. We then can proceed to examining the patterns of defective decision-making that manifest in PRI functioning and then conclude with devising a system that cures such infirmities.

3.72. Why does everyone popularly believe that PRIs are incapable or at best, capricious decision makers? First, while grass root level institutions have distinct advantages in localising government, they also face proximate political and social pressures that make traditional virtues of public administration such as impartiality,

neutrality and anonymity difficult to realise locally. Second, regardless of whether PRIs are elected on a party basis or otherwise, they are political institutions. Elected members have constituencies both in the geographical and socio-political sense. One cannot avoid legitimate aspirations to nurse constituencies in today's context of highly competitive electoral politics and one must accept that there is bound to be a tendency to favour a region, a group of people or even individuals in developmental decision-making. Third, unlike legislators, PRI elected representatives are vested with executive authority and are empowered to take decisions having financial implications and authorise expenditure from public funds, decide levels of taxation, exercise power of collecting taxes and regulatory powers which are of a quasi-judicial character. These have the potential of making PRI members arrogant, despotic, feudal and litigant.

3.73. There is no doubt that elected members at all levels have to be impartial, fair and exercise propriety in using the wide powers that they have. This working group's recommendations if accepted, would result in far-reaching changes that would substantially empower all tiers of PRIs. These powers could be classified into two broad categories, namely, regulatory power in the nature of performance of civic functions and developmental powers to plan, guide and undertake development. Examples of regulatory powers would be those relating to taxation, grant of license, enforcement of building regulations and abatement of nuisance. Such regulatory powers are exercised almost entirely by Grama Panchayats, as they are the sole bodies in the three tier PRI system that are entrusted with civic responsibilities. Developmental functions would include the entire gamut of public spending on schemes, beneficiary selection and promotional activities.

3.74. In a sense, it is easier to install accountability mechanisms to deal with aberrations in regulation as they invariably involve the disregarding of specific legal provisions and an empowered authority can ascertain and test facts against such provisions in determining whether regulatory powers have been wrongfully applied. However, to determine that development power, which includes provision of services, selection of beneficiaries and public spending for various plans and schemes has been misused, is a far more complicated thing. Here the testing of actions for legitimacy is not against well-defined rules and regulations, but against broad policy and wide criteria. Here rules and laws have less rigid application but concepts of fairness, impartiality, prudence and natural justice would come into play. Add to this that PRIs may have to exercise positive discrimination in favour of certain disadvantaged groups, and we have an additional yardstick of values by which proper exercise of power requires to be judged.

3.75. Under the present dispensation, the Government has the power to cancel PRI resolutions if they are found to be unfair or unjust. As this power is delegated to officials, in practice it means executive control over the elected bodies. This is something that we consider fundamentally an inappropriate system and procedure. We thus need a system that is outside the pale of both executive government and PRIs, while still being proximate, quick and effective. This accountability mechanism could provide for

different systems adapted to handle mistakes in exercising regulatory powers and developmental responsibilities. We recommend that two sets of institutions be provided for to ensure quick redressal of public grievances in the exercise of regulatory and developmental power.

3.8. Appeals against the exercise of regulatory powers:

In the current set up, the Executive Magistracy hears appeals against the exercise of regulatory powers. This arrangement has seen several changes in the past. Under the arrangements that preceded the 1983 Act, appeals against orders of Grama Panchayats in the exercise of their regulatory powers were heard by the Jurisdictional Assistant Commissioner and Sub Divisional Magistrate. This system was dispensed with under the 1983 Act, in favour of one where appeals against regulatory orders of the Mandal Panchayat were heard by committees of members of the Zilla Parishad. A corresponding committee based system, under which the Taluk Panchayat heard appeals against regulatory orders of the Grama Panchayat was put in place under the 1993 Act. However, this was subsequently amended, and the power to hear appeals was restored to the Assistant Commissioner. The system of the Assistant Commissioner hearing appeals against regulatory orders of the Grama Panchayat has its clear merits. First, the AC is outside the PRI system, and is therefore well suited to hear appeals as an impartial authority; something that the Taluk Panchayat cannot do, because the Adhyaksha of the concerned Grama Panchayat could be a member and an interested party. Second, the AC is vested independently with statutory powers including powers to deal with public nuisances. He thus is in a position where he could independently enforce an order that he makes, again something that the Taluk Panchayat cannot do. Third, under the Land Revenue Act, the AC handles revenue appeal cases that deal with cases of change of khata and ownership in the revenue records. The disputed issues that arise in such cases closely parallel those that often arise in disputes relating to change of Panchayat Khatas. As the AC is familiar with the pattern of such disputes, he can deal with them easier. The only issue that remains is whether the process of hearing appeals against orders that are made in exercise of regulatory functions should be handled entirely by a judicial authority such as the jurisdictional civil judge, or an independent judicial authority exclusively given this task. Such an arrangement is in place in Kerala. However, we feel that the system of handling appeals by the AC has stood the test of time and need not be changed.

3.9. The institution of Ombudsman:

3.91. While the existing system is adequate to hear appeals from decisions taken in exercise of regulatory authority, there is need for another institution to investigate misdemeanours in the field of administrative activity. With greater devolution and decentralisation there will be a need to investigate independently complaints made by individuals, groups and even the Government relating to defective administration by local

bodies. The Ombudsman system is expected to provide a convenient and relatively low-cost mechanism to deal with complaints of mal-administration. The work of the Ombudsman is essentially investigative in character and such investigation can be conducted according to appropriate principles decided by the Ombudsman itself. The Ombudsman can go into the reasonableness of a decision as also investigate complaints relating to action or inaction. In looking at matters relating to internal administration, which need not necessarily affect only the individual's interest, the Ombudsman system goes beyond the limits of a judicial process.

3.92. Would there be duplication of work between the Ombudsman and the Lok-Ayukta?

3.921. Under Section 7 of the Lokayukta Act 1984, the Lokayukta is empowered to take action against several specified persons, including "public servants". As defined in section 2 (12) (e) of the Act, "Public Servants" include members of "local authorities, which is a term broad enough to include PRIs. Section 7 also states that subject to the provisions of the Act, the Lokayukta may investigate "actions" of Public Servants. Section 2 (1) of the act defines "Action" broadly, as "administrative action taken by way of decision, recommendation or finding or in any other manner and including willful failure or omission to act". A reading of the law would therefore give the impression that the Lokayukta could as well be the instrument of upward accountability of PRIs in place of the Ombudsman, and it is not our intention to dispute that. However, we feel that the Lokayukta Act itself does not do away with the possibility of the setting up of separate accountability mechanisms, in order to deal with focused areas requiring attention. Section 8 of the Lokayukta Act, which speaks of matters that are not subject to investigation, includes cases or complaints involving a grievance in respect of any action where the complainant has recourse to another remedy. We believe that this section gives scope to the Government to provide for a specialised agency such as the Ombudsman to deal with the issues of upward accountability of PRIs.

3.922. We also stress that the institution of Ombudsman would be distinct from the Lok-Ayukta, in terms of its procedure and focus. Whereas the latter predominantly focuses on corruption and punishes it after the event, an investigation by the Ombudsman would be more in the nature of an ongoing check on PRI administration and it would be empowered to check wrong doings at the initial stages themselves. In addition, the Lok-Ayukta is already overworked and in practice has predominantly dealt with issues of corruption in a quasi-judicial manner. On the other hand, we propose that the Ombudsman will take care of the citizen's grievances relating to due process being disregarded in rendering a service or deciding on a claim. The Ombudsman would have the advantage of easy and almost informal access to the lay public, through the prescription of simpler procedures. Additionally, the Ombudsman would have the inherent power to observe the functioning of administration and suggest reforms. It would therefore be a predominantly administrative body. We therefore envisage that the

Ombudsman will be complementary to the Lok-Ayukta. The Lok-Ayukta's jurisdiction over PRIs will not be affected by this.

3.10. Task 5: Establishing the Ombudsman:

3.101. We suggest that the institution of Ombudsman could be a three-member body headed by a judicial officer of the rank of a High Court Judge and assisted by two others, selected from a panel of Judicial officers of the rank of District Judges and Administrative officers of the rank of Secretary to Government. The Ombudsman can act on complaints from elected members or citizens or on reference by audit authorities or Government or initiate proceedings *suo moto*. The Ombudsman can be empowered to pass awards to compensate losses sustained by PRIs and to redress grievances. Where the alleged irregularity is found to be a criminal offence, the Ombudsman may refer such cases to the appropriate courts. In order to reduce establishment costs and for effective functioning, the Ombudsman can be vested with the power to conduct enquiries utilising the governmental system by requisitioning the use of any official, with the stipulation that while carrying out the directions of the Ombudsman all officials and agencies are deemed to be working under the Ombudsman and any dereliction of duty would attract a contempt of the body.

3.102. A critical test of success of the Ombudsman would be the speed with which appeals are heard and disposed. Such speed can be attained only if procedures are simple. The institution should combine relatively simple procedures of an executive authority with the advantages of an independent judicial system. For this reason we have proposed two important features, first, that lawyers are expressly barred from appearing before the Ombudsman unless specifically allowed by it; second, that the Ombudsman shall normally complete its investigation into any complaint within four months of it being lodged.

3.103. We believe that the institution of the Ombudsman would go a long way in upholding the rights of the citizen even while protecting the autonomy of the elected body against possible intrusion by the executive. The Ombudsman would provide a strong system of checks and balances required to make the system work with greater efficiency. We have suggested appropriate legislation to establish the Ombudsman.

3.11. Democratising the Panchayats:

3.111. The title that we have used for this section of our report could be provocative to some. Why do we need to spell out in detail processes that promise to democratise our Panchayats? Are we implying that they are not democratic bodies?

3.112. It is important to note that the word 'Panchayat' has two distinct connotations. In the context of our Constitution, PRIs represent local tiers of *democratic* decentralisation

However historically, the traditional Panchayat at the village level has been a representative body of the economically and socially strong elements of village society, signifying and constituting a final, quasi-judicial authority and certainly cannot be said to have been democratic. Several studies have shown beyond doubt that in unequal societies, local bodies have been easily captured by the elite. In Karnataka too, several independent studies have shown that Panchayat Raj Institutions, especially Grama Panchayats, have not been the agents of change that we fondly hope they have become and the weak still largely do not have a voice in them. When we now speak of empowering PRIs more, of giving them wider areas of discretion to act, we must recognise the need to critically examine whether they have indeed become fora for democratic expression. If they have not, this is an appropriate time to bring forth the institutional changes that ensure that they reflect the views of the people that they represent.

3.12. The dangers of consensus:

3.121. Our democratic process has placed a large emphasis on consensus decision-making. Several Panchayat Raj Acts across India have expressly provided for the primacy of consensus in decisions of Panchayats. In Karnataka while consensus does not find expression in the Act, this principle is embodied in the Grama Sabha Rules. While true consensus is appreciable, an unnecessary emphasis on consensus could stunt the growth of democracy. Consensus undermines democracy in two ways. First, in a consensus, the strongest voices prevail automatically. Thus it is easier for a situation of elite capture to prevail if business rules of representative bodies expressly prefer consensus in decision making. Reservations in favour of women and the socially disadvantaged do not make much sense in a consensus situation because one can just as easily silence the poor. The second disadvantage of a consensus situation is that elected representatives can hide behind a consensus decision to avoid responsibility and accountability to their voters. This is to be avoided especially when we are now proposing to build effective mechanisms of downward accountability into the PR Act. We now propose changes in the legislation and rules that open up and democratise the processes of decision making within PRIs. There are five linked aspects of ensuring that PRIs work more democratically and we describe these below.

3.122. First, document the procedure meticulously.

Procedures for conduct of meetings have to be laid down meticulously. While we say so, we do not believe that uniform procedures can be prescribed for application to all PRIs. While the broad principles on how PRI meetings are to be held have been laid down in the PR Act and rules, we propose amendments that enable the concerned PRI to develop more detailed procedures if it so wishes. We propose that a PRI after election could decide in consonance with the Act and Rules what kind of decisions should require prescribed levels of majority, such as a simple or a two thirds majority, or what kinds of decisions require a secret ballot. Making provision for a secret ballot requirement in the

rules is necessary, in order to ensure that those who do not feel upto articulating their concerns in an open meeting can still make their presence felt in decision-making.

3.123. Second, impose a strict quorum requirement.

The law has already provided a quorum of one third of the total number of members for the meeting of a Grama Panchayat. We propose to introduce an additional quorum requirement that one third of the members attending the meeting shall be women.

3.124. Third, always record votes.

The recording of votes is already provided for in the PRI Act and Rules and this is an important aspect of democratic PRI functioning. If there is a consensus or unanimity, even this should be recorded. While the record of voting by individual members in PRI meetings could become the most important mechanism of opening up the proceedings to the public, there is no express provision in the law for disclosing the voting pattern to the public. We propose to introduce mandatory public display of resolutions of the PRIs along with the record of members voting for or against them. This will enable the public to know what their members are doing for them. They will know how the member has articulated their concerns in meetings. More than anything else, this alone will be an effective mechanism of downward accountability. The recording of votes is particularly important when funds allocation is being done in the annual action plan of the PRI.

3.125. Fourth, ensure that the body is collectively responsible for its actions.

The requirement of collective responsibility is another method of increasing accountability of the body to the people. Once a member knows that his position is also in jeopardy as he is also vicariously responsible for wrong acts of his colleague-members in the body, there is a greater price to be paid for being a passive spectator to the proceedings. Members will be induced to participate meaningfully and there will be peer pressure on each other not to take wrong decisions.

3.126. Fifth, make meetings transparent.

The requirement for transparency can be dealt with in several ways. We must have mechanisms where the process of decision-making is opened up and can be observed. The most important is that ordinarily, meetings shall be open to the public and that has already been provided in the Rules. Of course, certain special meetings where personnel matters are discussed or where bids on contracts are being examined or discussed, or where legal advice is being considered, can be held in camera. We have provided an amendment that expressly provides that meetings where financial or planning issues are being discussed shall be open to the public. The next necessary ingredient is that there must be full disclosure of facts in meetings, so that reasoned

decisions can be taken. One method of doing this is to ensure a prior circulation of the agenda for a meeting and if necessary, allow one meeting to intervene before a decision is made. Thus a resolution can be introduced in a particular meeting and discussed, but voting could be held in the next meeting of the body.

3.13. Task 6:

Incorporating the above principles in the Panchayat Raj Act and the Rules:

We have proposed appropriate amendments to the Panchayat Raj Act 1993 and the Karnataka Panchayat Raj (Procedure at the Meetings of the Grama Panchayat) Rules, 1994 so that these principles are incorporated into the legislation and rules.

3.2. Enhancing Political accountability:

3.21. One of the most significant features of the Panchayat Raj system is the opportunity that it opens for widespread participation in grass root democracy. The total number of elected representatives in PRIs is around 80,000 in Karnataka. Any system that aims to improving their political accountability through appropriate safeguard in the electoral system should be considered an important ingredient of any reforms strategy. We have considered several reform processes that have been introduced in similar legislations in other states. We have specially studied the sections relating to these aspects that have recently been introduced in the Panchayat Raj Act of Kerala, a state that has now secured an excellent reputation for a forward looking PRI system.

3.22. Task 7:

Legislating for bringing in systems for enhanced political accountability:

We make the following suggestions regarding improving the existing systems of political accountability.

- a. First, we propose the introduction of clauses mandating candidates for PRI membership at all tiers, to file their election expenses, through suggesting amendments to Sec. 12, 128 (2) and 167 (2) of the Panchayat Raj Act.
- b. Second, we propose to introduce legislative clauses providing for mandatory vacation of seats in case of proved corruption, misapplication or failure to call for two Vasathi Sabha meetings consecutively (in the case of Grama Panchayat members), through amendments to Section 13(1), 129 and 168.

- c. Third, we propose to introduce a new clause 19(1)(c) which plugs a grey area in the law, by expressly providing that Grama Panchayat candidates cannot use symbols of recognized political parties.
- d. Fourth, we propose new clauses, 43(b), 136(a) and 175(a), which mandate elected members of all PRI tiers to declare their assets.
- e. Fifth, we have strengthened the position of the State Election Commissioner by giving him the power of disqualification of members of Grama Panchayat, which now vests with Assistant Commissioner under Section 13(2). This is also in consonance with the principle that the executive should not disqualify PRI members.

3.23. Task 8:

Restoring the primacy of the State Election Commissioner in determining delimitation and reservations:

Under Act 29 of 1997, which brought about several amendments to the Panchayat Raj Act the power of delimiting constituencies and assigning reservations was vested with the State Election Commissioner. This decision of the Government was taken in pursuance of the recommendations made by the Expert Committee on Decentralisation and was an important step in the direction of Government distancing itself from these processes. However, it is regrettable that these legislative changes were over turned through amendments brought in through Act 8 of 2000, under which the power to make reservations and delimiting constituencies was again vested with the Deputy Commissioner, an officer of the Government. We feel that this was a retrograde step. The soundness of the assertion that an impartial authority should undertake delimitation and reservation of PRI constituencies has not diminished with time. We would also like to point out that in highly political conscious states such as Kerala and West Bengal, the Government has not burdened itself with the task of delimitation and has assigned this responsibility to the State Election Commission. We also believe that it makes good sense for any Government, whatever may be its political position, to distance itself from the controversies that may arise during delimitation. Quite often, the process of delimitation and reservation cannot please everyone and simply because the Government is doing it, accusations of partiality are bound to recur. We believe that impartiality must not only be observed, but must also be seen to be observed. We therefore recommend that the position in the law should revert to what was prior to Act 8 of 2000.

3.24. The issue of PRI Leadership:

3.241. The leadership of PRIs is again an issue that has been contentious. This is but natural, as it is closely interlinked with politics. The working group deliberated on

whether we should comment on this important issue. After considering all aspects, we felt that since it was our responsibility to examine a holistic design of PRI reform, we should give our views on this issue too. We have however confined ourselves to the issue of prescribing limited terms of office for PRI Adhyakshas and Upadhyakshas. We consider it inappropriate for us to discuss the issue of reservation in leadership, as connected matters are subjudice before a Constitutional Bench of Supreme Court.

3.242. Under the law as it stands; limited terms of office are prescribed for PRI Adhyakshas and Upadhyakshas. At the Grama Panchayat level, Adhyakshas and Upadhyakshas have terms of 30 months each, whereas at the ZP and TP level the terms are for 20 months. This means that a Grama Panchayat would see two sets of office bearers during its 5-year term, whereas the ZP and TP would see three sets. The rationale for the decision is that through a combination of reservation and restriction on the term of office, during each 5-year term, women members and those belonging to backward categories and SCs will also have an opportunity for leadership. There has been much recent discussion and many views expressed on increasing of the terms of Adhyaksha and Upadhyaksha of ZP and TPs from 20 to 30 months. The Administrative Reforms Commission, which has recently submitted its report, has also recommended increasing the term accordingly.

3.243. We have three observations on these developments. First, if the leadership term has to be increased without extending it for the full term of the body, that it should be twenty, thirty or forty months is entirely subjective. The central issue is whether the law should prescribe a limited term at all, because any fixation of an in-between term is essentially arbitrary. There is no great advantage in increasing the duration of a limited term from twenty to thirty months; in fact one would question such an increase because a 30 month term would mean that in the third year, a PRI would see two sets of leaders, each in place for half a year, a position that is inconvenient and which has serious implications on planning and execution of works, and performance appraisal of officials. Second, the issue of who should lead a representative body is essentially a political one and it has to be decided through political processes. This political process may be energetic or even acrimonious but it is still part of the vibrancy of democracy and should not be stunted. If the law prescribes a term, it amounts to short circuiting the political process at the grassroot level, which is something strange for a nation that prides itself on its democratic institutions and practices. Third, we believe that the original idea of providing an opportunity to all to quickly get a taste of leadership would gradually diminish as the PRI system evolves and grows.

3.244. Task 9:

Doing away with the law prescribing terms for leadership:

For the above reasons we recommend the abolition of a system of prescribing part-terms for PRI Adhyakshas and Upadhyakshas. We are of the firm view that the law need not prescribe any term for the Adhyaksha or Upadhyaksha. Even under the system

that was in existence under the 1987 dispensation, there was no specific prescription of a limited term for PRI leaders. PRIs sometimes themselves made local arrangements for periodically changing Adhyakshas and Upadhyaksha, but these arrangements arose through political means. We however do agree that there could be practical problems in trying to make such changes midway through the current terms of PRIs, and as a short term solution, the suggestion of the ARC to increase the terms of ZP and TP Adhyakshas and Upadhyakshas to thirty months could be accepted. However, in the long term, starting from the next term of the PRIs, we suggest that there should be no stipulation in the law prescribing any terms for the Adhyaksha and Upadhyaksha.

3.25. Legislators as Members of PRIs:

3.251. Should persons other than those elected to PRI bodies directly, be given ex-officio memberships of these bodies? This is undoubtedly a tricky issue. When the system envisaged under the 1983 Act was operationalised in 1987, not only were other jurisdictional elected representatives such as MPs, MLAs and MLCs were made members of Zilla Parishads or Mandal Panchayats, the local MLA was made the Chairperson of the intermediate tier, the Taluk Panchayat Samiti, which was entirely an indirectly constituted one. This practice has been criticised by many experts on decentralization, but has spread through almost all states, with the notable exception of Kerala. It is interesting to note that the Constitution does not make it mandatory for the Legislators to be made the members of PRIs. Article 243-C merely states that the State *may* make such provision in the legislation. All over India, and including in Karnataka, studies have shown that giving ex-officio membership to Legislators in PRIs undermines the working of PRIs. Legislators often exercise more influence in PRI decisions than their sole vote would warrant. We are of the view that as a matter of principle, Legislators should not be given an ex-officio place in any PRI.

2.352. Apart from the fact that their presence dominates the working of PRIs, there is a fundamental democratic principle that is endangered through such ex-officio membership. A rural citizen in India is called upon to exercise his franchise about five or six times. He votes for his MP, his MLA and possibly his MLC in case of bi-cameral legislatures. At the local body level, he votes for his Grama Panchayat, Taluk Panchayat and Zilla Panchayat member. Quite obviously, the concerns that he wishes to address would depend on the sphere of representative government for which he exercises his franchise. He would have distinct concerns in his mind when he votes for his MP, his State legislators and his local representatives. He could exercise his preference for different political parties to represent him at different levels – a phenomenon that has often been seen in Karnataka. In such a situation, when a person voted in by the electorate to represent them in a particular body is given an ex-officio right of membership to another representative body, it amounts to distorting the given mandate. We believe that for democracy to be vibrant those that represent the people should sit in their appointed places to which the people have voted them. After all, MPs are not given

ex-officio representation in State Assemblies. We therefore suggest that the state should do away with giving legislators ex-officio membership of ZPs. As regards TPs, the operation of this principle would work in two ways: it would take away the ex-officio membership given to Grama Panchayat Adhyakshas under the present dispensation as also that of Legislators.

3.253. Two possibly justifiable grievances of legislators could be that in case they are not given the privilege of ex-officio membership, they are unable to get 'their' works implemented. They may also complain that they are kept in the dark about developmental works in their jurisdiction. With regard to the first likely apprehension, we would appeal to all elected representatives, both legislators and PRI members that they should do away with the mindset of looking at works with a proprietorial air. It is public funds that are being spent by PRIs. The works cannot be owned by anybody, either members, or officials for that matter. Works undertaken by PRIs are in the ultimate analysis determined by the people and will hopefully be informed to them through new systems of transparent administration. With regard to the concern of being kept in the dark, we feel that the new mechanisms that we propose for transparency and accountability, such as the right to information and the Ombudsman, could also be used by legislators if the need arises. We would end by saying that the ex-officio membership given to legislators in ZPs and TPs has also given rise to a climate of competition and rivalry in Legislator PRI member relations. This is not a healthy trend and its continuance cannot be for the larger good of decentralization. Surely there is a need for a healthy and synergistic collaboration between legislators and PRIs; giving ex-officio membership to legislators in PRIs has not so far fostered the growth of such collaboration.

3.254. Task 10:

Doing away with the system of ex-officio representation for Legislators in PRIs:

We would also like to point out that the Expert Committee on Karnataka Panchayat Raj Act 1993 constituted by the State Government, which submitted its report in March 1996, suggested doing away with the provision of legislators being given ex-officio membership of PRIs in these succinct words;

"The respective spheres of PRIs on the one hand and the Parliament and Legislature on the other, should be left without encroachment and therefore, Members of Parliament and the State Legislature should not be made members of Taluk and Zilla Panchayats."

Echoing that sentiment, we have suggested similar amendments in the Act and express the hope that they will be accepted by the Government in the larger interest of decentralization.

CHAPTER 4

DEFINING THE ROLES OF EACH PANCHAYATI RAJ TIER

4.1. Introduction:

4.11. Though to those in Government, different levels of Government have distinct characteristics, few citizens discern these differences. To the average citizen a service is a service, regardless of which level of Government is responsible. It is in this light that one must undertake the task of delineating the roles of the three tiers of the Panchayati Raj System. Delineation should primarily be done to address the greater convenience of the people and greater efficiency in delivery of services, rather than to address the convenience of the administration.

4.12. With respect to the PRI structure, though the roles of the three tiers have been stated out in the legislation, the prevailing design clearly envisages a hierarchical three-tier structure. There are a number of sections in the Panchayat Raj Act that explicitly brings out the tier wise hierarchy in collating information, approving plans and even of one tier sitting in judgment over the other's decisions. We need to consider afresh whether this constitutes an appropriate design for inter-PRI interaction.

4.13. In this Chapter we proceed to lay down the principles of what should be done by each tier through prescribing a detailed activity mapping for all the twenty-nine subjects transferred to PRIs. With respect to certain important sectors, we also explain the rationale behind the assignment of particular activity to each PRI. Finally we elaborate on the design of how the relationship between the three PRI spheres can evolve taking into account their particular preferences and conveniences.

4.2. PRIs as spheres of governance:

4.21. We can have greater clarity on how decentralisation should work if we conceptually recognise that each Panchayat Raj Institution constitutes a sphere of Government rather than a tier. Each tier, with respect to the responsibilities, duties and powers assigned to it should be treated as being largely independent with respect to them. Delineation of powers, duties and responsibilities of each tier should be on the basis that each one has a separate and distinct area of operation, but one is not subordinate or subservient to the other. This of course does not mean that they exhibit stony indifference to each other, but that they work interactively, without one tier sitting in judgment over another's activities in its designated sphere.

4.22. Currently there are several sections in the law that embodies the hierarchical structure. These provisions mainly appear in the chapters relating to functions of the Grama Panchayat, their finances, as also their planning processes. In addition, chapter XVI that deals with Inspection and Supervision also provides for extensive powers to oversee the work of lower tiers to officials and the Adhyaksha of a higher tier. We consider that such arrangements are not in keeping with the spirit of considering the three levels as spheres of governance. Such a system gives the impression to the elected bodies that one tier is inferior or subordinate to the other. We have suggested modifications to these sections of the law in Annexure 1 to the report enclosing the modified law. The abstract of the amendments explains the rationale for these changes.

4.3. Towards a rational activity mapping:

4.31. Even though assessments of what can be done at a particular level would essentially depend on the circumstances in which each activity is undertaken at the field level, there are two broad principles that one can adhere to when undertaking an activity mapping exercise. The first principle is that of optimizing the convenience of delivery; seen from the view of the 'customer' of government, the citizen. Thus what can be done at a particular level (desirably the lowest level) should be done at that level. Obviously, scalability of each programme will be a prime concern, but while determining scalability, the endeavour will be to exercise a definite bias in favour of the lowest tier. The second principle is that of subsidiarity. Not only should what can be done at a particular level be done there, but also it should be done there alone.

4.32. The task of determining who should do what is a complicated one and will obviously require some amount of subjective assessment of the capabilities of each tier. However, this exercise should not be limited or prejudiced by a consideration of the present scheme of things, especially the present position regarding the relative capacities of the each tier and the prevalent accountability mechanisms. Essentially the underlying ethos is that the PRI system is not to be considered as a power hierarchy but as a collaborative mechanism intended to facilitate vertical and horizontal coordination among various agencies and departments. This would mean that while the Grama Panchayat could essentially be the cutting edge of local administration, the Taluk and Zilla Panchayats could perform a strong multi-purpose role that lays emphasis on facilitation and support. This makes sense because the jurisdiction of ZPs and TPs being larger, they are better equipped to deal with certain aspects of development that affect two or more Grama Panchayats.

4.33. We have given a detailed activity mapping between Panchayat Raj bodies in the Annexure to this report. Our exercise has largely drawn on a similar exercise conducted by a Task Force constituted by the Government of India, with several changes made to suit local needs of the State. A basic principle that has guided us in making appropriate modifications is the excellent suggestion of the Administrative Reforms Commission constituted by the State Government that ingredients of the implementation process of a

scheme should stay within a single implementation agency as far as possible. We believe that the detailed activity mapping as elaborated in the Annexure 2 would go long way in defining the roles of each tier with clarity, so that they understand and are able to perform their responsibilities better. With respect to certain important department and sectors, we elaborate below on what ought to be the broad guiding principles on the basis of which the activity mapping should be determined.

4.4. The Primary sector; Agriculture, Horticulture and Technical Extension

4.41. With respect to the primary sector, what each tier should do depends on how the sector is viewed within the State's overall developmental strategy. In Karnataka, the need to support agriculture from the point of view of assuring food security has considerably diminished. (Karnataka only contributes 2 percent of the country's cereal output). At the same time there is a greater need to support agriculture as an economic activity, as a large number of people depend on it as a livelihood. Second, after the liberalisation of the agri-input industry, several of the roles that have been assigned to the three PR tiers are actually done more effectively by the private sector. For instance, in the area of agri-input supply, while there is a diminishing need for supporting a large government presence, a greater need will be felt for a good system that monitors whether there are any bottlenecks in supply and a regulatory system that maintains standards. Once these shifts in the nature of agricultural activity is recognised, the entire approach towards PRI's role in agriculture and related activities would undergo a sea change. The entire broad emphasis would change from maximising production to maximising productivity and farm incomes. Role assignment in a decentralized set up will have to take into account these new realities and fit in with these larger policies.

4.42. We suggest that the emphasis in the approach would need to shift from a solely "crop based mission" one to a demand based approach. From the point of view of identifying priority areas for agricultural and horticultural development, the focus should always be on the ten agro-climatic zones into which the state has been divided and development should take into account their special and different characteristics. In this policy structure, PRIs would adopt facilitatory roles for income maximization, taking into account the above stated broad priorities. This may involve reorienting the Agriculture and related departments in the following ways:

- a. Monitoring delivery input systems for quality, quantity and timeliness of delivery;
- b. Making technology (including private technology) available on tap;
- c. Integrating technology delivery through convergence of schemes into a composite farm productivity oriented plan, from a disjointed crop-wise or departmental wise approach;

- d. Concentrating on developing decentralised storage and grading infrastructure (this is a crucial role that PRIs may have to directly play, because a private network has not yet developed. There may be a need to subsidise such development)
- e. Getting into the business of market information dissemination (there is a big gap here and PRI involvement has great potential)
- f. If possible, organising collective marketing. Two issues arise in this context. First, do you bring the state marketing department under the PRI system? Alternatively, do you de-monopolise marketing activity, ensuring adherence to well established regulatory standards, so that not only the marketing department, but PRIs, other cooperative bodies such as the NDDDB and the private sector are allowed to provide alternative marketing mechanisms so that farmers have options of utilising competing services and thereby of getting better services? We believe that the demonopolisation of agricultural marketing is a very good way of ushering in true decentralization in this area.

4.5. Watershed development:

We have considered watershed development as a distinct aspect from Agriculture, because it deals with a much wider range of activities than crop husbandry. Watershed development is especially important for Karnataka for several reasons. Karnataka, after Rajasthan, has the second largest area of agricultural land in India under arid or semi arid conditions. Only 26 percent of the state's cropped area is irrigated, as compared to the National average of 39 percent. Being largely comprised of an undulating plateau, it also suffers greatly from the deleterious effects of denudation of vegetative cover, leading to the exposing of land to rain and subsequent destructive soil erosion. While accepting the importance of watershed development there may still be a few questions asked about why it should be undertaken by PRIs and especially the lowest tier, the Grama Panchayat. There are two reasons that strongly support assignment of Watershed development to PRIs. First, watershed development quickly brings clearly visible benefits to local communities in ways more direct than in any other environmental protection programme. Economic prosperity through better agricultural and animal rearing productivity and improved quality of life through increased availability of firewood and drinking water are clearly linked to improving vegetative cover, preventing uncontrolled water-runoff and facilitating ground water regeneration. Second, a vital aspect of effective watershed development strategies is its essentially decentralized character; large areas of land have to be treated according to micro plans developed through community participation. Both these reasons reinforce the logic that there has to be close involvement of PRI institutions in watershed development. While user groups and NGOs would also play a part in the development of local watersheds, using PRIs as clearing houses for government support in all its forms is not only logical, but also practical. Some issues may arise in devising such arrangements, especially since watersheds demarcated for the purposes of treatment may not follow the boundaries of PRIs, especially Grama Panchayats. However, this is a

matter of detail and using the principle of allowing greater flexibility for local PRIs to devise their own arrangements for interaction (which we have described in this chapter in following paragraphs) local arrangements can always be devised.

4.6. The Primary Sector; Animal Husbandry, Dairying and Poultry

While dealing with the primary sector, the delivery of veterinary services has a large measure of commonality with the delivery of health services. One main issue that concerns both sectors is the purchase of medicines and equipment. A lot of money is spent on this and so the debate is vigorous – do we send this responsibility up or down? There are arguments in favour of both approaches. Those in favour of centralising purchase justify it on the basis of scales of economy, ease of organizing and lesser corruption and leakage (The last justification is questionable; and is only a matter of perception). The arguments in favour of decentralisation of procurement are that it enables local need to be addressed clearly. If one has in place a good downward accountability mechanism, procurement can also be decentralised to lower PRI levels. We have dwelt on the issue of procurements in the chapter on Administrative Decentralisation and feel that activity mapping will have to take into account the improved scales of economy that can be obtained through this.

4.6. The Secondary Sector; Industries:

The division of powers, duties and responsibilities between PRIs with respect to the industrial sector could be based quite a bit on the networking envisaged to be established for the poor. Recent initiatives taken up in India regarding the elimination of poverty revolve around certain distinct steps. First, the poor are facilitated to collectivise (if it suits them) as a means of gaining confidence. Second, once they gain confidence, they are then assisted in pursuing any vocation of their choice. It may be so that the entire group chooses a common activity (In fact, empirical data show that this is rarely done with a high degree of success). Alternatively, the group organizes itself on the basis of affinities other than a desire to pursue a common activity. This may mean that stakeholders across Common Interest Groups may choose a common activity and they will have to be brought together for common entrepreneurship development training. Such identification for an appropriate activity will require the maintaining of individual data of each CIG member. It is quite possible that the same strategy of collectivizing, followed by skill training, infrastructural and marketing support could facilitate small dispersed industrialization by non-BPL individuals too. In such circumstances, activity mapping will have to facilitate the above twin priorities. While the Grama Panchayat could be the unit for the initial identification of those requiring assistance, the critical mass for any collective activity or for organizing training or a marketing linkage may not be available if the activity were self contained within a Grama Panchayat alone. While we do not want to lay down any hard and fast rule about this, the taluk would be the

appropriate scale at which certain kinds of coordinating activities such as training and marketing could be organized. Networking villages and Taluks for free information flow (we have described the process in the chapter on administrative decentralisation) could then be very useful in building collaborative systems between inter village groups or individuals pursuing the same or complementary vocations. It could be possible for individuals to use the network coordinated by the Taluk Panchayat to obtain training for a particular vocation or gain access to marketing opportunities. This should be the approach adopted for Non-wage poverty alleviation programmes such as the Swarna Jayanti Gram Swarozgar Yojana (SGSY).

4.7. The Housing Sector:

4.71. At present, the flagship government scheme for housing is the Ashraya Scheme. However, the system in place for the selection of beneficiaries under the scheme goes against all principles of decentralization. The Houses are allotted by the Ashraya Committees constituted by the Government, of which the local legislator is the Chairperson. This is unfortunately becoming a natural tendency, as the power to distribute houses and housing sites is closest to every elected representative. No elected representative will sacrifice a patronage power that enables him to get credit for himself. A housing programme fits the bill excellently. If it was to be decentralized completely and people do everything directly (as they can), then the elected representative may not any longer be able to take the credit. Housing is a very personal issue and the benefit to the beneficiaries is clearly identifiable. In such cases, the closer the developmental process is to the beneficiary, the better it is for her. She is motivated to show greater innovation and put in a greater contribution. We therefore feel that there is a strong case to support extensive decentralization of housing schemes to the GP level. There would be no need to keep all kinds of sanction and approval processes with respect to housing at any level above the GP. Even the determination of the design and the unit cost proposed to be kept at the ZP level could be dangerous; it could be used to kill local innovation and could be used as a handle to exercise powers over GP decisions. We have determined the activity mapping for housing programmes to reflect this assertion.

4.72. Task 1:

Giving Grama Panchayats primacy in implementing all Housing schemes:

4.721. For the above reasons, we recommend that Grama Panchayats should be given primacy in the implementation of all housing schemes, such as the Ashraya and Ambedkar schemes of the state government, as also the Indira Awas Yojana scheme. The Rajiv Gandhi Housing Corporation has already implemented on a pilot basis an arrangement for construction of rural houses, named Panchayat Ashraya. Under this arrangement, Grama Panchayats are entrusted with the responsibility over the entire gamut of housing activities starting with beneficiary selection, supervision of construction of houses by the beneficiaries, channelising the required funds and ending

with an ongoing responsibility for making recoveries of funds, through the promotion of a savings scheme tied up with repayment. The response from Grama Panchayats to this arrangement has been overwhelming. The entrustment of the housing responsibility to Grama Panchayats has generated great enthusiasm at that level and apart from the obvious benefits, been an important factor in building local capacity in project management. We suggest that the time is ripe to extend this scheme to cover all Grama Panchayats. 2002-03 would be a good year to bring in this change in policy, because 2,00,000 houses are expected to be built during this year.

4.722. There is another reason why Grama Panchayats should be given this responsibility and that is the Nava Grama Scheme. The Nava Grama scheme provides a collaborative mechanism under which funds and food grains provided under the Sampoorna Grameena Rozgar Yojana (SGRY) can be used for constructing layouts and providing common facilities to newly constructed houses in layouts, literally creating Nava Gramas (new villages). Since the SGRY programme has to be solely taken up through PRIs, linking house construction with Nava Grama by assigning the responsibility for both to the Grama panchayat will avoid problems of coordination between agencies.

4.723. Where does this leave Ashraya Committees headed by Legislators? There is no way of escaping from the conclusion that in a setup that wants to ensure greater decentralization, Ashraya committees have no place in the selection of beneficiaries; at best, it can be a subcommittee of the Taluk Panchayat that ensures coordination and support for Grama Panchayats in their housing endeavours. We urge Legislators to recognise the logic behind our arguments and accept this fact. We therefore suggest that Ashraya Committees could be disbanded by the Government.

4.8. Rural Roads:

4.81. No other aspect of development with the exception of drinking water, takes up as much managerial time in any PRI as does the road sector. The cynic may remark that this is because most PRI members are either themselves contractors or have linkages with contractors for road repairs. (This view has even found expression in the approach paper to the Tenth Plan, so it is not unfounded). However, it is intriguing that in spite of the spotlight on it, the road sector is perhaps the least understood in terms of allocation of funds, the standard for defining connectivity and the norms for construction and maintenance. At first sight it is difficult to understand why such confusion should surround the management system in the road sector. Roads have been classified under a time-honoured system into National Highways, State Highways, Major District Roads (MDRs), Other District Roads (ODRs) and Village Roads (VRs), with well-recognised standards for construction and maintenance laid out in respect of each category. There have been clearly understood demarcations of responsibility with respect to which layer of government is to deal with each category: PRIs have been assigned responsibilities

with respect to ODRs and VRs. However, these distinctions have been considerably blurred over a period of time, with the State Government's PWD wing, the APMCs and parallel bodies such as the Hyderabad Karnataka Development Board, the Malnad Development Board etc. joining PRIs in road development and maintenance. The bald truth is that today it is difficult, if not impossible, to assess the exact amount that is being spent for the maintenance and construction of different categories of roads. The overlapping of responsibilities and the fragmentation of funds between agencies for maintenance and development of roads is a source of endless confusion. Quite often, the only point where all these responsibilities and funds converge is at the level of the local implementing officer, who is used by all agencies named above for implementation. This top-heavy management structure is clearly inefficient; it does not ensure good monitoring or downward accountability and unnecessarily complicates planning.

4.82. Task 2:

Developing a district road plan:

The clinching solution for systematising the task mapping in the case of roads is to develop a district (or a jurisdictional) road plan. This plan, developed using GIS methods, would keep track of the road development within the jurisdiction of each PRI. The road plan will have to be invariably consulted before taking up any work by any agency. Such an approach would prevent the possibility of duplication in expenditure, as all expenditure under various schemes dealing with roads in the area, would be tracked.

4.83. Task 3:

Rationalisation of Road Schemes in the District and State Sector:

The second task is to take stock and ascertain how much money is being spent on rural roads, and then rationalize the schemes into a smaller number. We have undertaken an exercise in rationalization of road development schemes, which forms part of Annexure 3 relating to scheme examination. While doing so, we have gone beyond the District sector and examined the allocations of funds for Village roads within the State sector – where there is considerable allocation of funds. As shown by us there is considerable scope for the reduction and rationalization of schemes for road construction and maintenance, both in the district and state sector. The outcome of rationalization would be that there would be a convergence of the funding methodologies supporting road construction and maintenance.

4.84. Once the rationalization is done, the third issue that needs to be considered is to decide which tier has to do what, in respect of rural roads. We strongly suggest that the original policy of assigning responsibilities on the basis of what comes within the jurisdictional sphere of each tier should be adhered to strictly. However, while doing so we need to appreciate that roads have certain special characteristics that make them different from other dispersed rural infrastructure. Two major differences are that first, good roads require a reasonably high and uniform standard of construction and repair and

second, roads need not necessarily be used by the local residents alone. Taking these factors into account, we suggest that Grama Panchayats can be assigned the responsibility of looking after intra-village roads. In the case of inter-village VRs, the appropriate tier for the assignment of responsibilities for construction and maintenance should be the Taluk Panchayat.

4.9. Water supply and Sanitation:

Water supply and sanitation schemes form an important part of the civic responsibilities of the Grama Panchayat. The maintenance of health and hygiene is also the responsibility of the Grama Panchayat as can be evidenced from several sections of the law. Under these circumstances, water supply and sanitation should be as far as possible, the responsibility of the Grama Panchayat. As in the case of roads, the role assignment is to be preceded by an exercise of scheme convergence. However, the problem of fragmentation of schemes is not as acute as in the case of roads. Under a scheme rationalization exercise forming part of the medium term fiscal plan of the state government, an exercise of convergence of water supply schemes around outcomes has already been commenced. This logical separation of water supply schemes has been on the basis of piped water supply, mini-water supply and individual borewells. A convergence of this nature would help in better management and greater flexibility in operation of at the local level of specific purpose grants for drinking water supply. In the case of sanitation schemes too, there is a case for re-organisation of schemes. A glaring example of decentralization not being adhered to by the Rural Development Department is the Nirmal Karnataka scheme, which is still part of the State Sector Plan. This ought to be transferred to the District sector and implemented wholly at the Grama Panchayat level.

4.10. The HRD Sectors; Education, Health. Social Welfare and Women and Child Welfare:

4.101. We have considered these sectors as constituting one group with respect to the approach towards decentralizing them, because apart from the services that departments deliver under these sectors, they share some common characteristics. Departments that deliver services in these sectors (these include smaller departments such as the Department for Indian Systems of Medicine, the Department for adult education and youth services) share the common characteristic of being very staff-intensive. For this reason, the expenditure on salaries under these departments constitutes a large chunk of PRI expenditure. The other common characteristic is that these departments operate institutions, be they hospitals, hostels, anganwadis or schools and thereby share commonalities in treatment of issues regarding institution management. The third similarity is that these departments are large procurers of consumables, be they medicines, uniforms, books or items of food. We suggest that for ease of management of

these sectors at the PRI level, a largely uniform approach should be taken with respect to these departments. The first issue is the approach towards staff. This is important, because the quality of the services rendered by these departments vitally depends on the human input. We have suggested elsewhere in this report, in the chapter on administrative decentralization that a system of monitoring of attendance of field staff at the lowest PRI level could be adopted and recommend that this system could be extended to all the departments that fall in the HRD category. With respect to management of institutions, we have made recommendations in the chapter on administrative decentralization that are applicable to these departments. On the third issue of procurement, we have again discussed the issue in detail in the chapter on administrative decentralization, suggesting that procurement policies should look at scales of delivery and logistics of supply. This logic would also apply to the fitment of procurement activity in the PRI set-up.

4.102. It may be noted that with respect to two of the important HRD sectors detailed above, namely Education and Health, Task Forces constituted by the Government have made detailed recommendations regarding streamlining government activity in these sectors. These recommendations have suggested specific measures regarding extensive decentralisation of government activity, giving PRIs a prominent place in the set-up. We would not like to further qualify these excellent recommendations and suggest that they should be implemented with all possible speed and vigour.

4.11. Grama Panchayats and electricity:

4.111. Under Section 58 of the Panchayat Raj Act, Grama Panchayats have the obligatory duty to provide adequate number of streetlights and pay electricity charges regularly. The fact that quite often Grama Panchayats have not been able to fulfill this obligation adequately has been an area of concern. There are several problems that plague a proper resolution of the issue, the most important of which is the question of payment of bills by the Grama Panchayats to the KPTCL. We have dealt with the issue of making at-source cuts in the releases made to Grama Panchayats for the payment of electricity bills in the chapter on Fiscal Decentralisation and suggested doing away with such a system. However, doing so only shifts the responsibility of making payment to the Grama Panchayats and does not solve the issue of the chronic shortage of good quality power in rural areas. At present, this poor quality, irregular hours of supply, unscheduled cuts in power supply and defective meters are all major concerns, some of which are used by Grama Panchayats to question the veracity of KPTCL bills submitted to them. Other equally serious problems that concern KPTCL's power supply are the inordinate delay in providing connections to drinking water projects and the high cost that is now being charged by the KPTCL for providing connections to water supply projects, especially where a dedicated line is to be laid. The situation does not seem remediable in the short term for reasons too numerous to recount here.

4.112. The bottom line that emerges is that as the KPTCL is not in a position to make assured and adequate power supply, there is a vacuum in the field of power supply to villages. We sense a void here, which PRIs could fill. In such a situation, can the Grama Panchayat be given the opportunity to both produce and distribute power in their jurisdictions? Though this may look far-fetched to some, we believe it is within the realm of possibility, for several reasons.

a. First, an electric grid shares several common characteristics with other grids, the most appropriate in the rural context being the water supply grid. In both cases, there are one or more supply sources and the resource conveyed is distributed over a grid of pipelines or wires to consumers, who may or may not be charged for the supply. If charged, they may or may not be metered. Probably the only distinguishing features of an electric grid are that electricity is invisible and moves instantaneously over the grid and electricity grids have a greater degree of integration into large systems, as compared to rural water supply grids. This does not take away from the fact that a large proportion of the essential management skills required for running a local electricity grid are similar to that required for running a water grid. Since Grama Panchayats have sufficient experience in running water grids, they could easily familiarize themselves with the additional skills required for running an electricity grid.

b. Worldwide, there is an increasing interest being expressed in micro power, which is the generation of power by technologies that can be applied in small scale without sacrificing the efficiencies of large generation plants. Micro power is expected to offer substantial advantages over old-fashioned power stations in terms of efficiency, reliability and environmental friendliness and increasingly, even on price. Bangalore itself has emerged as a hotbed of innovation, with several technologies such as using bio fuels, accelerated methanation and gasification emerging from local research institutions. Karnataka has also an excellent record in the use of Non-conventional and renewable technologies in the rural sector, especially in the micro hydel, bagasse based cogeneration and wind energy fields. Consequently, the full benefits of micro power may be available to us sooner than we think. Apart from the obvious gains that technology will bring, it may re-awaken interest in something that is completely opposite to the concept of a functionally unbundled energy market – small vertically integrated grids serving local markets, with power generated through micro power generators. In the infancy of electricity worldwide, this was how electricity was supplied. Private entrepreneurs, or local civic bodies owned small generation stations and the grids that supplied power. Such grids existed even in Karnataka, but were swallowed up by nationalisation, the last of them disappearing during the mid-seventies. We are thus much better placed than ever before in the recent past to resurrect the concept of having a large number of micro power supported vertically integrated grids operating in rural areas, supplying locally required low-tension power.

4.113. There are certain institutional requirements that will be necessary to enable such innovative approaches. The first is that under the current system of licencing, the local Grama Panchayat will have to obtain a licence for distribution of power from the

Karnataka Electricity Regulatory Commission. (KERC). The second requirement would be that instead of setting up its own local grid, the Grama Panchayat could as well use the KPTCL grid. This will necessitate the development of grid support agreements, which could be done by the Government as a standard for adoption. These requirements could be easily met. It may be noted that the Karnataka Electricity Regulatory Commission has already given local licences for distribution of power to entities that have taken on the responsibility in remote areas where the grid cannot be economically extended. What we need to ensure is that the same principle is extended to cover all areas where Grama Panchayats come forward to undertake electricity generation and supply, regardless of whether they use renewable or non-renewable technologies.

4.114. Task 4:

Providing an enabling mechanism to support Grama Panchayats generating and distributing electricity:

We therefore recommend that willing Grama Panchayats should be provided with an enabling mechanism to embark on the task of generating and distributing electricity. True, though tariffs may vary from those charged by the KPTCL, a Grama Panchayat may find it still feasible to generate and supply its own power at a higher tariff, taking into consideration the low reliability of KPTCL power in its area. While so far such proposals have only been spoken of as applicable to the distant future we believe that the time is ripe for action. Such an approach will require an entirely new orientation, not the least of which is the courage to innovate. We would remind that there was similar scepticism about the capacity of Grama Panchayats to maintain water supply schemes in the past, but subsequent developments have belied any fears in this regard.

4.12. Grama Panchayats and temperance:

4.121. During the many informal discussions that provided an important insight into the functioning of PRIs and the reforms necessary to make them into truly effective representative institutions, a very perceptive remark was made by a reform friendly MLA. He said all reform measures aimed at empowering PRIs and especially Grama Panchayats would not amount to much, if some way were not found to curb the drinking habit in villages. One often finds this sentiment expressed by the people who are practical exponents of decentralisation. Mahatma Gandhi strongly believed in prohibition as a non-negotiable aspect of Ram-rajya. Modern success stories in creating village republics have all started with a unanimous commitment to prohibition; an oft-quoted instance being Ralegaon Siddi, where under Anna Hazare's leadership, the entire village imposed strict prohibition. Any visit to a village reveals that the location of arrack shops is as prime a concern amongst voters as drinking water, education and electricity supply. However, under the current decentralized set-up, PRIs have a very limited role in deciding where shops should be located. If decentralization is so fragile as to be disrupted by drunkenness, this is indeed a sobering thought and not something that this Working

Group can ignore. Excessive drinking makes the village environment unsafe, especially after sundown. This means that meetings of the Grama Panchayat, sub-committees, user groups and self-help groups can be held only during the daytime. However, not all members, especially women and the poor can spare the time to attend these meetings during the day. Second, drinking erodes incomes, especially of the poor. Put together with the effect that excessive drinking has on health, neglect of children and domestic violence and one can grasp the full impact of the debilitating effect of excessive drinking on the rural social fabric.

4.122. The natural and simplistic solution to the problem is prohibition. Yet, decreeing through legislation for total prohibition has never succeeded anywhere in India. It merely pushes the drinking habit underground, where enveloped by criminality, the entire system becomes more vicious, unregulated, breeds corruption and becomes downright dangerous for the consumer. Additionally, prohibition denies the state the excise on liquor, which yields Rs. 1,500 Crores per year to its revenue basket. Therefore, while total prohibition imposed by the state is not the answer, there is a strong case for co-opting the Grama Panchayat into a temperance movement – they have much to gain from it.

4.123. Task 5:

Empowering the Grama Panchayat with respect to location of liquor shops:

There are two ways in which the Grama Panchayat could be given a greater role in promoting temperance. The first is to explicitly empower it in the process of licencing liquor shops. Under the KPR Act 1993, Section 68 and 69 gives powers to the Grama Panchayat for licensing hotels and shops. Section 70 allows a power to levy a fee as also a power to appeal against the giving or refusal to give a licence. No special mention is made in the case of liquor shops. Under the Excise (Retail Vend of Liquor) Rules, the Excise Commissioner is vested with the powers to notify the number of liquor shops. However, in the yearly public notice for auction he does not say where these shops are to be located. After the auction, the successful bidder is expected to give a list of locations where he wishes to open the retail shops as per the notified number. Several restrictions have been prescribed under the rules regarding the location of these shops, especially with respect to the distance from educational institutions and places of worship. However, under the rules it is entirely the responsibility of the Deputy Commissioner (Excise) to verify whether there is any violation of these conditions, while approving the actual locations of these shops. The excise law does not provide for any consultation with the Grama Panchayat by the excise department in the process of licencing of liquor shops by them. We suggest that the Excise Retail Vend Rules should be amended to give powers to the Grama Panchayat to decide on the location of these shops. This would bring the Excise rules in conformity with Section 68 of the KPR Act, which gives powers to the Grama Panchayats to licence shops.

In parallel with giving the power to the Grama Panchayats to licence such shops, there must be additional safeguards introduced into the KPR Act. If the decision to licence is taken behind closed doors, the Grama Panchayat could easily be influenced to give a licence. We suggest that the law as embodied in the PR act should also provide for throwing open the decision making process for licencing of liquor shops open to public scrutiny. The process of panchayat jamabandi could also be used to great effect in this process.

4.124. Through a process of empowering Grama Panchayats in the shop licencing process one could ostensibly curb the proliferation of liquor shops. However, this only prohibits the sale of liquor; it does not prohibit drinking. Could the Grama Panchayat be given the power of imposing prohibition, either fully or partial, in one or more villages coming within its jurisdiction? The fundamental point here is whether drinking per se is a crime, to such an extent that the people need to be protected from it through total prohibition. This is indeed debatable. It is true that consumption of alcoholic liquor even if it is social or within responsible limits is still frowned upon, especially in rural India. However, in our multicultural country and state, drinking is an accepted social practice in several communities. We therefore believe that it is not desirable that the law should prohibit somebody's fundamental right to consume a food that is per-se not damaging.

4.125. We already have the report of the Tax Reforms Commission and the Task Force on Health, which have made several recommendations with regard to the policy surrounding consumption of liquor. The Tax Reforms Commission has stated out the following propositions;

- a. The effect of the excise law from the point of view of ensuring regulation and compliance to standards is much more important than the revenues earned from its application;
 - b. Rural people need entertainment and diversion from the daily routine as much as anyone else, and since there are less options available to them, they tend to turn to liquor,
 - c. Rural people cannot exercise the less harmful choice of consuming less alcoholic forms of liquor as compared to urban people, since they largely have access only to arrack,
 - d. The move should be towards emphasising responsible drinking of less alcoholic beverages as compared to total prohibition, the latter being unenforceable and worse than the disease.
 - e. This can be achieved by introducing greater choice in liquor by making available softer forms in cheaper packaging, while simultaneously moving away from keeping prices of hard liquor such as arrack artificially low.
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The Task Force on Health has suggested that one percent of excise earnings should be kept aside for temperance campaigns, such as campaigning for responsible and moderate consumption of liquor. It has also suggested that stricter norms for licencing of shops should be imposed in areas where certain vulnerable groups such as scheduled tribes reside.

4.126. Task 6:

Co-opting Grama Panchayats into the temperance movement:

It is important to note that neither the Tax Reforms Commission nor the Task Force on Health suggests total prohibition, and sensibly so. Detractors of prohibition assert with good reason that it is impossible to administer effectively. This might even be the case with the softer options suggested by the Tax Reforms Commission and the Task Force on Health. While agreeing with the recommendations we believe that these initiatives have the greatest chance of succeeding when the scale of the social effort of promoting responsible drinking is centered around the Grama Panchayat, the village, the Grama Sabha and the Vasathi Sabha. Therefore, the Grama Panchayat should be fully co-opted into any initiative directed towards promoting responsible drinking.

4.13. Assuming Responsibilities for Activities through mutual agreement:

4.131 Though we have described in detail the activity mapping as also given sector wise justifications for the same, we also recognize the danger in attempting to over engineer the relationship between PRI tiers. Over-definition of the ambit and scope of their responsibility could inhibit local evolution of decentralization. After all, decentralization should aim at achieving flexibility and elbowroom for PRIs to establish their own interactive linkages in order to work efficiently and serve the people.

4.132. Task 7:

Defining responsibilities of PRIs through MOUs:

How does one then proceed to arrive at a happy marriage between defining the roles between PRIs with clarity while still giving them the leeway to define the ambit and scope of their relationship by themselves? The answer again lies in recognizing that each PRI is not part of a hierarchy but represents a distinct sphere of Government, with its attendant duties and responsibilities. If this concept is understood, it is but a simple matter to recognize that these tiers are free to define their mutual relationship through agreement, rather than such relationships being defined through the law. Spheres of Government can enter surely enter into contracts. In the international sphere Governments routinely enter into treaties, which are nothing but contracts that set out the signatories' responsibilities, duties and powers with respect to the subject in question. At

a local level, such contractual definition of relationships between tiers has become standard practice in the case of implementation of several schemes. Instances are the World Bank aided Watershed Development Project, the Jala Nirmal project, the Community Based Tank Development Project, the District Poverty Initiative Programme, and the Agricultural Development Project, where implementation is in close association with PRIs. Here the roles in implementation by the various PRI tiers would be defined through a system of MOUs between them. Such definition of duties, responsibilities and powers are especially relevant in the context of taking of engineering works. Two examples would be relevant in this context. First, in the case of engineering works assigned to the Grama Panchayat, it does not normally have access to technical expertise, for which it may have to seek assistance from the higher tier, usually the Taluk Panchayat. However, a usual danger seen in the field is that higher tiers by virtue of the fact that it provides technical expertise to the Grama Panchayat also tend to sit in judgment over the decision of the Grama Panchayat. The practice of entering into an MOU stating out their inter-se duties and responsibilities prior to implementation would clarify the relationship between the signatories, The Government could play a facilitatory role by drafting standard forms of contracts, valid for different sectors and projects, which could be used for guidance of PRI tiers.

4.14. Task 8:

Operationalising the activity mapping:

As a result of the activity mapping suggested by us, concurrently, administrative functions and powers along with plans and schemes will have to be delegated to the appropriate levels. Business processes will have to be re-engineered to facilitate this. We suggest that this process should be undertaken in a time bound manner. The reworking of the current activity mapping will constitute the trigger for several other changes, including the downstream re-deployment of staff, so as to operationalise the activity mapping.

4.15. Effect of the New Activity Mapping on Departments:

We expect that an activity mapping that pushes more activities down to PRIs would have a significant impact on how departments function. Fragmented separation of sectors between departments will have to be cleaned up. Departmental separation of governmental activities and their inter-se linkages will have to follow the contours of how these sectors are implemented on the ground, with lines of convergence drawn along the same lines as the convergence of activities in the field. To cite an example, watershed development schemes that still rest within the administrative control of the RDPR department, will need to be transferred and converged within the administrative control

and supervision of the watershed department, which in turn would ensure that using the activity mapping suggested, they are implemented by the appropriate PRI level. Similar exercises will also have to be conducted with respect to all departments and all activities that are proposed to be implemented through PRIs.

CHAPTER 5

DECENTRALISED PLANNING BY PANCHAYAT RAJ INSTITUTIONS

5.1. Introduction: A report card on decentralised planning so far:

5.11. An institutional mechanism for planning at the district level has been in existence in some form or the other since the fourth Five-Year Plan onwards. When a more progressive decentralised governance system was established in 1987, planning was taken down to the village level and was aimed at a more integrated approach to rural development by utilising existing local resources. As part of the initiatives to progressively decentralise decision-making powers on all vital developmental matters affecting people's life, the planning process was also to be strengthened as an instrument to translate this objective into reality.

5.12. However, the efficacy of institutional mechanisms for decentralised planning have been seriously eroded by several distortions that have taken away most of the decentralised nature of planning. Some of these distortions are elaborated below.

5.13. Lower levels of the PR system have neither been provided with the machinery nor capacity needed for undertaking meaningful planning. While planning machinery is available at the district level, no planning support has been provided at the Taluk and Grama Panchayat level. This has hampered these bodies from preparing plans of required high quality and has therefore weakened the devolution of powers, functions and finances and people's participation through Grama Sabhas.

5.14. While the modalities of the planning process were established in 1986 and plan sizes were fixed in 1987-88 by identifying sectors and reserving allocations to them, in practice allocations to each sector have been made depending on the state's resource position and plan size. A comprehensive order describing the planning process, was issued in 1986 (GO No. PD 3 PRU 86, December 19, 1986). This process has been largely followed un-modified, with only a few minor changes brought about in 1993 to accommodate the requirements of Taluk Panchayats. However, there has been a near stagnation in the size of the District Section plans, especially in the late 1990s.

5.15. The criteria suggested by the State Finance Commission for devolution of funds are not being followed by the Government. The criteria adopted in the allocation of plan outlay among ZPs are similar to Gadgil's formula and devised with the intention of achieving balanced development. These criteria seek to give half the weightage to the

population, and another half to backwardness measured in terms of parameters such as agriculture, industrial and infrastructure development. Some weightage is also given to the population of backward castes and agricultural labourers. Recently, the State Finance Commission recommended that lump-sum allocations should be made on a weightage of 33.33 per cent each to district population and area, and 11.11 per cent each to illiteracy rate, road length and hospital bed strength, but the Government did not accept this recommendation.

5.16. There is a difference between precept and practice when providing untied funds to PRIs. It has been long accepted that for formulating a meaningful and integrated development plan based on local resources, PRIs should have the freedom to determine and plan for their priorities through the use of untied funds provided to them. In the early 1980s, the Government tried out several means of making lump-sum allocation to the Zilla Parishads and the then Mandal Panchayats, which included outlays from state plan, Centrally Sponsored and Central Sector Schemes, such as IRDP, JRY, Western Ghats Programme and family welfare schemes. Plan formulation against such lump-sum allocations was to be carried out by each PRI in accordance with the functions assigned to each tier. However, at the same time, sector wise and minor head-wise allocation was also resorted to, for ensuring that district priorities were in conformity with state priorities. A proper implementation of the policy of providing a free outlay in the form of lump-sum allocation would have meant that scheme-wise allocation of funds was to be resorted to only in the case of state level schemes that did not come under the purview of PRIs. However, the practice followed while finalising district plans was that scheme-wise outlays already decided at the state level, through the fixation of sector and minor head-wise allocations, were given the highest consideration and consequently, district planning exercises were de-facto plans imposed by the state.

5.17. The planning process as implemented does not stir meaningful debate at the PRI level. The planning exercise follows a certain chain of events in the state. Starting from the top, the state's draft plan for a particular fiscal year is sent to the Planning Commission by November of the previous fiscal year. If district plans are to be meaningfully integrated into the state level plans, these have to be prepared well in advance. Currently, although the GOK does not know the exact size of the budget, the finance department at the state level indicates around August every year the size of the likely grant to each ZP on the basis of which the latter are to prepare their plans. Basing on this allocation, the planning department at the district level seeks each line department to prepare tentative proposals on the basis of certain informal guidelines; first, that funds to all on-going programmes and committed activities will fully be provided for and second, that each department will propose an increase in the budget by say, 10 per cent of the previous year's sanction, without disturbing any existing allocations. Proposals generated at the official level become a draft annual plan, which is submitted to the ZP's Standing Committee on Finance, Audit and Planning. While suggestions of the committee are considered, they are dependent on the nature and funds availability and are explicitly subservient to plan guidelines, rules and regulations of each scheme.

The proceedings of the Standing Committee are placed before the ZP general body, which can overrule or approve the draft annual plan. It is entirely a matter of opinion whether views and opinions of elected members get incorporated in the proposals prepared by line departments and the answer depends on who one asks. While state level officials aver that plans are indeed need-based, even if they do not emerge from below and the time to prepare plans is relatively short, district level officials and elected representatives do not agree, their basic point being that need based plans cannot be prepared if only a small proportion of grants come as untied money. The general view of officialdom is that ZP members can voice their concerns and demands, which are accommodated if rules permit, failing which the matter is taken to the CEO, who does a balancing act. In general, officials do not give much respect to concerns of elected leaders as the widespread feeling is that the world-view of the latter is very narrow and that they do not represent people's needs but the needs of their own constituency. (there is an inherent contradiction here. Does not the constituency consist of people?)

The imposition of the two informal guidelines severely restricts any scope for debate. The guideline that all ongoing programmes should be provided for restricts debate on their usefulness – in any case, the de-facto position is that the district does not have any say in the closure of irrelevant schemes. The 10 percent ceiling on hike of allocation restricts any scope for prioritisation of schemes at the district level. Consequently, schemes are pursued or excluded depending not on local priorities, but on what the current government guidelines are. Thus the decentralised planning process adopted now remains largely official led and does not stir debate at the ZP level, given time constraints. The ZP consequently plays only a marginal role in arriving at priorities and preparation of plans, constrained as they are by lack of time and lack of information.

5.18. There is often no rationale for separation of schemes into 'District Sector' and 'State Sector Schemes'. The separation seems to be perception and convenience led, that is, the perceived convenience of officialdom. Even after 14 years of decentralisation, field departments working at the district level still continue to obtain funds from district and state sectors, for which they are answerable to either the relevant PRI or to the State. Often, the rationale for such separation is not clear. Two instances are the scheme in the Women and Child Welfare Department, under which Rs. 5,000/- is given as a grant to a family if the first child happens to be a girl, and immunisation programmes in the Department on Health. These schemes are retained in the State sector and money comes to the implementing agency directly through the Deputy Commissioner. There does not seem to be any special rationale for these schemes being retained in the State sector, and yet they are so retained.

5.19. The Planning process at taluk and village levels is of poor quality and neither does, or is permitted to reflect people's aspirations. Every year, by April or May, Grama Panchayats are to prepare action plans relating to funds earmarked under JGSY and 10th Finance Commission on the basis of prioritisation of needs and problems emerging from Gram Sabha meetings. In reality, however, the needs and problems of the poor are not very often captured in Grama Sabhas and GPs themselves undertake this task

of identification and prioritization of needs. In addition, since funds are inadequate the planning process is normally confined to spill over or pending works.

5.20. Integration of Grama and Taluk Panchayat plans into the District plan tends to be mere summation, and not a synergistic integration.

5.21. To conclude, a lack of trained personnel, a confusing plethora of schemes, rigidity and a lack of monitoring of the quality of the planning process have led to a poor operationalisation of the excellent concept of decentralised planning. In conclusion, we must consider whether such a process is the best one to capture the views, aspirations and demands of the people. These questions become relevant especially in the context of near stagnation in the allocation to district sector (in the late 1990s) and limited time available at the district level to prepare a plan. We now propose several strategies to improve the quality of decentralised planning, so that it addresses local aspirations more effectively.

5.3. Part one of the mantra; simplification and rationalisation of schemes

5.31. Rationalisation of schemes that are implemented by PRIs is the first part of our decentralization strategy for planning. Over the years, the Government has devised presumably with the best of intentions, a plethora of schemes that purport to define with greater precision what are the priorities and when, how and by whom expenditure has to be incurred. The government typically divides its funding into a large number of accounts, which are further subdivided into sub-accounts on the basis of departmental boundaries, object class or even target groups (as in the case of SCP programmes). The creation of complicated processes that require miles of red tape to be untied is an unwelcome byproduct. We have so far proceeded on the mistaken notion that each new programme needs to be serviced through a distinct budget head, without realizing that this carries with it burdensome management and accounting codes and procedures, all of which cost money and time to administer. The unchecked creation of budget heads has also led to a bloated bureaucracy engaged in endless file pushing required to translate each allocation into money for those who spend it or to transfer money from one account to another. Worthless time is also spent in tracking expenditure in each head, time that could be used on improving the quality of implementation.

5.32. We would like to look at the District Sector first. The Rs. 4828.30 crores forming the annual allocation for the district sector is spent through 658 plan and non-plan heads of account. Any rationale for the creation of such a large number of schemes and plans is lost in the past, and it is futile to devote time to identifying the precise reasons; each scheme has doubtless a departmental reasoning to support it. The upshot is there has been a disorderly growth of schemes, a matter that complicates the process of budget preparation. Many man-months are wasted in arranging and rearranging the outlays into tiny pots; time that could be usefully spent in doing meaningful evaluation of schemes in order to design changes in them to suit their objectives. By this devotion to arrangement, the process of budgeting becomes devoid of an assessment of the most essential thing.

which is what did the plans of the last year actually accomplish and what changes are required to programme guidelines. The budget process is therefore obsessed with inputs rather than outcomes and hampered by a shortage of debate on critical needs.

5.33. If it is the government's objective that overspending can be controlled by this detailed exercise of dividing appropriations into a large number of accounts and sub-accounts, this objective is often defeated because the bureaucracy created to handle this cannot bear the overload. Even though heads and sub-heads are elaborately stated out in budget documents, the release process often identifies only the broad head under which funds are released to PRIs, who are expected to make the final allocation of the periodically released funds into sub-heads, in the same proportion of the sub-head to the parent head in the budget. They often fail to do so; and therefore the purpose of the elaborate classification is often defeated. In addition the funding process operates in a way where funding is available bit by bit according to identified time periods. This means that development departments often do not get their funding on time and must fill out reams of paperwork in order to prove that the money was spent. Even if a sub-head is operated it often traps the money within its confines, thus forcing officials down the line to spend money where they have it and not where they need it. In addition, since allocations lapse in case money is not spent and often when there are unspent amounts, allocations are cut next time around, there is a rampant end-of-the-year spending rush, when money is spent without rational thought.

5.34. It is clear that the current system of classification and sub-classification of schemes inhibits both decentralised planning and the development that ought to flow from it. This is a clear case of over-engineering to the extent that the design has grown to monstrous proportions, stifling the very objectives of planning. We need to rationalise schemes with the twin objectives of both reducing the number of heads of accounts that one has to deal with as also allow for greater flexibility to PRIs in planning. We need to reduce our reliance and expenditure on bureaucracies that are entirely devoted to the arcane rules of budgeting. It should be Government's responsibility to devise priority based budgets rather than spend time on dividing allocations into capillary sized streams. The process of rationalisation can be distilled into specific tasks which do not follow any sequential order; rather, they ought to be performed in parallel if they have to be effective in dismantling the complex maze that district planning has now become.

5.4. Task 1:

Undertaking an exercise in convergence of heads of accounts:

5.41. Elementary number crunching throws up the following significant features of District Sector budgets. The district sector deals with twenty-nine sectors, which spend Rs. 4,828.3 crores through 658 plan and non-plan heads of account. This accounts for 19.53 percent of the State budget. PRIs have been entrusted with the implementation responsibility of 428 plan programmes covering 31 sectors. Of these, 291 are implemented at the ZP level, 129 at the TP level and 8 at the GP level. The Break-up of District Sector Plan allocations amongst PRI tiers is as follows:

In Rs. crores

Zilla Panchayats	725.55 (40 percent)
Taluk Panchayats	796.60 (43 percent)
Grama Panchayats	312.21 (17 percent)
Total	1834.36

5.42. An analysis of plan accounts shows that there is a high degree of skewedness in the relative allocation per head of account. Just 8 of the 428 plan schemes *account for 46 percent of the Rs. 1834.36 crores allocated*. Seen from the other end, 231 schemes put together constitute just 1 percent of the total allocation! These figures would clearly show the extent to which rationality has been sacrificed to a single-minded desire to address every known priority of which a planner can think. Further analysis would illustrate the extent to which plan schemes can be allowed to converge. *Only 34 schemes exceed an allocation of Rs. 10 crores each. (Together, they comprise 77 percent of the overall allocation.) 55 schemes exceed an allocation of Rs. 5 cr each and constitute 86 percent of the total allocation. 96 schemes exceed an allocation of Rs. 2 crores each and together constitute 93 percent of the total allocation.* Quite obviously, each department may have a different yardstick in deciding how to rationalise and converge their schemes. However, all departments may have to broadly accept a threshold of allocation, below which unless there are very special reasons, maintaining a distinct pot of money is not worth the added effort of creating, allocating, administering and tracking expenditure. What can this level be? If one accepts that all scheme heads below Rs. 2 crores will have to converge, the total number of schemes that one has to deal with comes down to just 96. The exercise will not end here. Each department will have to deal with rewriting flexibility into scheme operation as also put in place monitoring systems that track not merely expenditure, but also quality of outcomes.

5.43. Analysing non-plan accounts reveal that Rs. 2993.94 crores of Non-plan expenditure is administered through 230 heads of account, of which 187 are operated at the ZP level (Rs 1117.84 crores; 37 percent) and 43 at the TP level (Rs. 1876.10 crores; 63 percent). No non-plan head is currently operated at the GP level. Non-plan accounts show a much higher degree of skewedness than Plan programmes. Of the 230 non plan heads, just 2 heads account for 50 percent of the Rs. 2993.36 crores allocated, whereas, 108 heads put together constitute 1 percent! Unlike in the case of Plan Schemes, the convergence of non-plan heads is probably easier to achieve. Non-plan funds are mostly utilized for salary or for maintenance. In the case of salaries, not only can there be convergence within departments, but also convergence *across* departments. With computerisation of salaries, the need to have distinct heads of account to track releases is obviated. Releases could be through common heads, with only drawals in favour of staff of different departments being tracked through appropriate coding. If any analysis needs to be done, say, on making assessments of staff costs, they can always be obtained through crunching of raw data, without the need to monitor separate allocation heads that are designed to confine expenditure, (but in any case fail so to do). Having common heads could also avoid the anomaly of the same kinds of staff (both within departments and across departments) having to bear differing standards of release of salaries, simply because they happen to be borne on differing heads of accounts. This principle of

convergence, even across departments, could be applied to maintenance funds also, possibly to a lesser degree than in the case of salaries. The savings in time that can be achieved through such rationalisation will be enormous.

5.44. In the departmental-wise scheme wise details given in Annexure 3, we have clearly indicated the schemes that are too small and fragmented to make any impact whatsoever. These schemes should be the focus of either untying or convergence.

5.5. Task 2:

Tackling larger departments first in a rationalization exercise:

5.51. The department wise details of the budget allocations in the district sector for 2001-02 (given below) is illustrative of the relative importance of each department in the district sector.

(in Rs. Crores)

Sl	SECTOR	Plan	non-plan	Total	Percentage	Cumulative Percentage
1	Primary & Secondary Education	388.93	2022.27	2411.20	49.94	49.94
2	Grants to Panchayat Raj Institutions	304.80	-	304.80	6.31	56.25
3	Welfare of SC & STs & BCMs / SCP	149.08	152.71	301.79	6.25	62.50
4	Medical & Public Health & Rural Health	37.25	240.50	277.75	5.75	68.25
5	Rural Employment	235.42		235.42	4.88	73.13
6	Rural Water Supply	181.47	3.96	185.43	3.84	76.97
7	Welfare of Women & Children	116.87	3.56	120.43	2.49	79.46
8	Area Development & Other Rural Dev. Prog	114.46	-	114.46	2.37	81.84
9	Roads & Bridges	34.34	80.00	114.34	2.37	84.20
10	Nutrition	48.26	65.25	113.51	2.35	86.55
11	Family Welfare Programmes	98.41	5.64	104.05	2.15	88.71
12	Animal Husbandry	26.39	74.91	101.30	2.10	90.81
13	Agriculture	14.92	72.56	87.48	1.81	92.62
14	Public Works	-	85.86	85.86	1.78	94.40
15	Other RDPR Programmes	-	74.97	74.97	1.55	95.95
16	Sericulture	3.70	29.56	33.26	0.69	96.64
17	Soil Conservation	-	25.19	25.19	0.52	97.16
18	Minor Irrigation	8.90	13.66	22.56	0.47	97.63
19	Forest (Including Soil Conservation)	21.61	-	21.61	0.45	98.08

SI	SECTOR	Plan	non-plan	Total	Percentage	Cumulative Percentage
20	Horticulture	4.54	16.05	20.59	0.43	98.50
21	Tribal Sub Plan	17.40	-	17.40	0.36	98.86
22	Adult Education / General Education / Mass Edn.	0.89	10.97	11.86	0.25	99.11
23	Fisheries	4.14	6.30	10.44	0.22	99.32
24	Village and Small Scale Industries	4.45	2.29	6.74	0.14	99.46
25	Sports & Youths Services	3.997	1.82	5.82	0.12	99.58
26	Rural Energy Programme	5.32	-	5.32	0.11	99.69
27	Secretariat Economic Services-District Planning Unit	0.34	4.13	4.47	0.09	99.79
28	Indian System of Medicine	3.32	-	3.32	0.07	99.86
29	Village and Small Industries – Handlooms	2.85	-	2.85	0.06	99.91
30	Co-Operation	2.14	-	2.14	0.04	99.96
31	Industries	-	1.78	1.78	0.04	100.00
32	Science & Technology	0.20	-	0.20	0.00	100.00
	TOTAL	1834.40	2993.94	4828.34		

5.52. In the case of rationalisation of schemes, there are many things that can be done immediately. If we bestow our attention on just 15 out of 33 sectors, we would have dealt with 95 percent of the entire District Sector Budget. Education alone accounts for almost 50 percent of the budget. We suggest that the consolidation exercise should commence with those departments that command the largest allocations. By this yardstick, it would mean that the rationalisation exercise could start with departments such as Education and Health. Even here, it is easier to deal with sectors where outcomes of plans also remain within the same sector as where the allocation rests.

5.6. Task 3:

Undertaking an outcome analysis of Schemes:

5.61. It is possible to converge schemes that deal with the same outcome (such as in the case of drinking water), so that flexibility can be found within the same outcome group. For this purpose, we have classified all district sector plan schemes on the basis of outcomes as follows:

Sl no	Outcome Classification	Department
1	Agriculture	Agriculture Animal Husbandry Fisheries Forest Horticulture Social Welfare (some schemes) Sericulture
2	Social justice	Social Welfare Women and Child Welfare
3	Entrepreneurship Development	Industries Cooperation Textiles
4	Health HRD	Health and Family Welfare Women and Child Welfare Indian systems of Medicine
5	Education HRD	Primary and Secondary Education Mass Education Youth Services and Sports
6	Planning	Planning Rural Development
7	Rural development	Rural Development
8	Roads	Rural Development Social Welfare
9	Drinking water	Rural Development Social Welfare

5.7. The outcome of rationalisation:

The outcome of rationalisation would be twofold. First, we would have a manageable number of sectoral programmes that are rationally arranged and provide sufficient funds and flexibility to make an impact on clearly identifiable outcomes. Second, by closing certain schemes with minuscule allocations one can provide a greater quantum of untied funds to the PRIs that can be spent even inter-sectorally, within broad specified guidelines. Untying funds would allow focusing and meaningfully applying them for clearly stated objectives. We look at the tasks involved in a process of untying funds.

5.8. Task 4:**Undertaking an outcome analysis exercise for those departments that plan for different outcomes from their programmes:**

There are certain departments whose schemes inter-phase with nearly every other department. Classic instances are the Social Welfare and Women and Child Welfare Departments. Here the individual programme components may be to provide water supply, roads, nutrition or social justice, but it is the commonality of the target group that binds these disparate schemes together under a particular department. In many of these cases, the pooling of funds has been resorted to in order to ensure that funds allocated for particular target groups are actually spent for them. In other cases, while the facility for which funds are provided may be for the use of a particular department, the implementation falls in the ambit of another. Instances are the construction of Hospital and School buildings, where the departments vitally concerned are the Health and Education departments respectively, but the agency that uses the funds and operationalises the scheme is the Public Works Department. A complaint heard often is that the department that requires the facility is kept in the dark about the progress of implementation. In both these cases, one needs to seriously examine whether such prior carving out of funds actually facilitates the process of implementation – it may not. We suggest that such schemes can be converged under the broad classification of outcomes that we have proposed. Ensuring that target groups and objectives are covered need not require a separate allocation mechanism, but a strong reporting and monitoring mechanism.

5.9. Task 5:**Undertaking an exercise in determining what funds can be untied:**

5.91. As explained above, the plethora of District Sector schemes is clearly counter productive and inefficient. While undertaking the tasks aimed at rationalising schemes and closing down several of them, we will have to conduct a preliminary exercise showing what funds are capable of being untied to the mutual advantage of both departments and PRIs. There are however a few aspects which we have to keep in mind while doing so. First, Central or Centrally Sponsored schemes may have to be continued in their extant format, till such time that the Government of India decides to reduce the number of them and the allocations. Second, the schemes that provide for a salary and maintenance component will have to be reviewed carefully. We believe that all the 428 District Sector Schemes can be classified to fit into any one of the categories listed below. The strategy of dealing with each kind of scheme is also detailed below:

Scheme Category	Remarks	Whether the scheme is capable being untied or convergence.
"Salary Schemes"	These schemes provide funds for salary to be paid to departmental employees employed to achieve stated outcomes. These schemes cannot be untied straightaway, because most staff employed under such schemes are permanent Government employees, who rarely, if at all, can be retrenched or re-deployed.	Since salary inevitably becomes the first charge on the Government, these funds cannot be untied for use elsewhere, unless in the long term there is progressive downsizing leading to savings under these heads. However, such salary schemes can be converged into one per department in the first instance, so that accounting becomes simpler and logical.
"Maintenance Schemes"	These schemes either wholly or partly, provide funds for creation and maintenance of departmental assets. Funds are provided under them for office or facility construction or maintenance.	While certain of these schemes provide for office maintenance and construction, others provide for the development of infrastructure that is more directly useful, as in the case of school or hospital buildings. Consequently these schemes are largely incapable of being untied. However as in the case of salary schemes convergence is possible here too. The implications of convergence would be that PRIs could more flexibly utilize these funds within the broad classification of maintenance and construction without going through the cumbersome process of reappropriation by approaching the State Government.
"Assistance Schemes"	Each Department has numerous schemes under which they assist eligible individuals, groups or organizations. While the underlying objectives of providing such assistance are justified, the actual assistance available is dwarfed by burgeoning expenditure on staff and maintenance. Funds insufficiency is compounded by further sub-categorization into beneficiary oriented subsidies, soft loans, share capital assistance etc.	Such schemes should be untied for the following reasons. First, considered individually, they are too small to make any impact. Second, in practice, they are poorly monitored and funds allocated under them remain unspent and are re-appropriated at the State level towards other schemes and objectives.

5.92. We have undertaken a detailed departmental analysis of major sectors operating District Sector schemes and the same is placed as an Annexure to this report. The final result of the exercise of untying funds is summarised below.

	Details	no. of schemes	Amount (Rs. Crores)
1	District sector plan schemes	428	1834.36
2	Central Schemes	33	496.23
3	Centrally sponsored schemes	22	342.33
4	Total of central schemes (2+3)	55	838.56
5	State sector schemes (1-4)	373	995.80
6	Salary component of state schemes		351.58
7	Balance non-salary component available (5-6)		644.22
8	Amount already untied	7	302.70
9	balance available for untying (7-8)		341.52

It is not as if the balance that is available for untying can be untied straight away. An outcome analysis of these schemes will also have to be done by the Government to ascertain the exact amounts that can be released through closure of schemes.

5.93. In addition to the funds that are part of the district sector, there are several other schemes that do not appear in the link document but are part of the State Sector and still implemented by the Zilla Panchayat. We list out below an illustrative set of schemes taken from a Zilla Panchayat that are implemented in the District through the staff attached to PRIs, but not being within the district sector, are not monitored by the PRIs.

EDUCATION DEPARTMENT	District Primary Education Programme (DPEP) State Sector OBH class rooms Border Area Development Programme (BADP) Hyderabad Karnataka Development Board (HKDB)
HEALTH DEPARTMENT	Reproductive and Child Health (RCH) Indian Population Project IX (IPP IX) BADP HKDB German Assistance Project.
SOCIAL WELFARE DEPARTMENT	SC/ST Dev. Corporation. State Sector Schemes BADP HKDB

WOMEN AND CHILD WELFARE DEPARTMENT	Women & Child Dev. Corporation. State Sector Schemes BADP HKDB
BACKWARD CLASSES AND MINORITIES DEVELOPMENT DEPARTMENT	BCM Corporation BADP HKDB
ROADS & BRIDGES	PMGSY BADP HKDB Rural Infrastructure Development Fund (RIDF)
HOUSING DEPARTMENT	Ashraya Sites Ashraya Houses Ambedkar Houses TSP – 75 Houses
OTHER DEPARTMENTS	MP LADS programme Scarcity works Minor irrigation works Major and medium irrigation department Fisheries – state sector programmes Forest (territorial) Sericulture (state sector programmes) Agricultural Produce Marketing Committees District Watershed Board

We suggest that the justification for retaining these schemes in the State sector will have to be re-examined. Many of these schemes ought to find a place in the district sector and find a place in the district plan.

We describe below in detail the concept of untying funds and how this facilitates local planning.

5.10. Untying funds for flexible local planning:

5.101. We have earlier described how one of the outcomes of rationalisation of schemes is the provision of more untied funds to PRIs. In such an exercise, the funds pooled as a consequence of the State government closing down schemes could be the corpus of an untied fund that can be then released to PRIs, to be used within certain broad guidelines towards broadly stated priorities. This provision of untied funds could be made known to the Panchayats as a voted expenditure in the state budget. These funds will largely be non-sector specific and available for use by PRIs. We suggest to un-pack plan funds first, and then non-plan funds to the extent possible to give PRIs a real chance at developing a meaningful plan and budget. The plans for utilising these funds would be designed by the Panchayat after a full consultation with the people through Grama Sabhas, in consonance with the detailed consultative mechanisms in our proposed amendments. This system of

funding would allow Panchayats to have greater flexibility in deciding priorities and acting accordingly, instead of confronting them with rigid schemes that force them to spend money where they do not need to. Dovetailing other funds too, such as loans and revenue collections could support the plans decided upon by the Panchayat. Apart from the immense beneficial implications for PRIs, this will also facilitate the State to better organise its priorities.

5.102. It is interesting to note that the law did prescribe a limited scope in untying of funds right from 1987. Section 199 of the 1983 Act gave a fair amount of flexibility to the Zilla Parishad to modify the provisions made in the budget in the course of the financial year if it felt necessary, with regard to the receipts or to the distribution of the amounts on the different services it undertakes, upto an extent of 10 percent without the need to seek the approval of the Government, provided that the closing balance shall not be reduced below a sum previously fixed. This allowed ZPs some scope for financial independence without having to seek the approval of the Government. However, when the same subject was legislated upon in 1993, the corresponding law (Section 248 for Taluk Panchayats and 257 for ZPs) repeated the earlier law verbatim with one proviso, which at one stroke rendered the entire law infructuous. This proviso reads as follows:

“Provided that no diversion of grants transferred by the Government out of the Consolidated Funds of the State can be made for a purpose or programme or scheme not covered under such grants”

Considering that in the case of ZPs and TPs they had no independent sources of receipts other than schemes devolved to them from the State and the Centre for implementation, this proviso effectively shut out any scope for local flexibility.

5.103. In the light of the law as it stands; the government may express two difficulties in allocating lump-sum funds for planning. First, the norms for different schemes prescribed at the state level often undergo modifications that necessitate changing the district sector plans too. Second, Government may have the fear that PRIs at different levels may adopt different norms when new schemes are devised and implemented through the use of untied funds.

5.104. Lingering doubts that PRIs may not conform to the priorities of the state government constitutes a mental block that would be most difficult for the State Government to overcome. How strong is this view, is clear from GO No. PD 3 PRU 86, December 19, 1986, spelling out the State's instructions regarding district planning. It provides that the state can *" earmark outlays from the lump-sum for certain programmes, which the state government thinks are important. Planning department will indicate this while indicating lump-sum allocation for plan formulation. Even at the time of release of funds earmarking will be resorted as per the Planning Department's allocation"*. It is this scepticism about the district planning process that requires to be understood and tackled. We again reiterate that a decentralised planning process can be meaningful only if PRIs have the flexibility to determine and address priorities through their plan and it is high time for the state to accept this as an article of faith and provide a logical enabling mechanism for it.

5.11. Task 6:

Developing a framework for the use of untied grants by PRIs:

By definition, an untied grant should provide a near total freedom of use to the PRI to which it is given. At best, only broad sectoral ceilings and a negative list of works that cannot be taken up need be prescribed. Within this broad framework, PRIs should be allowed to prepare any programme they wish to do in consonance with local needs. Thus PRIs will be permitted to administratively sanction any scheme that they develop within the budgetary allocation and guidelines for usage without reference to any agency. Not much experience is available nationwide as guidelines for the use of large amounts of untied grants, with Kerala alone having experience on devising and utilising them during the ninth plan period. After an examination of the Kerala Government's system, we propose that the following stipulations could constitute the broad guidelines for the use of untied funds:

- a. Grama Panchayats could be allocated four-fifths of the untied grants and Taluk Panchayats and Zilla Panchayats could share the balance one fifth equally;
- b. Initially, at least 40 percent should be used for the productive sector, and not more than 30 percent shall be used for infrastructure. While we could start with this uniform ceiling position on sectoral expenditure, given regional variations and after studying local conditions we must should be able to allow some flexibility into the system in respect of identified PRIs that have achieved certain norms of performance and financial health;
- c. Within the above limits, certain ceiling limits shall be prescribed for giving individual subsidies through the utilisation of untied grants;
- d. Funds that are given as untied grants to PRIs should be non-lapsing in nature within certain limits. We suggest that this limit could be to an extent of upto 25 percent of the annual plan allocation plus the opening balance. In case any amount above this figure remains unspent during any year, a deduction can be made from the subsequent year's allocation to that extent. This will work as a disincentive to delaying local planning;
- e. There must be strict compliance to a system of expenditure monitoring and communication of utilisation certificates, with disincentives built into the system to penalise those who don't report in time. (We believe that this system would lend itself well to our overall plans of computerisation and wiring up PRIs into a network, the monitoring system that should be put into operation is fully described in the chapter on administrative decentralisation)
- f. We suggest that for clarity's sake, the quantum of untied funds that are given to PRIs could be issued through a separate annexure to the state budget document that indicates in detail the PRI wise details of the untied grants. This would be much in the manner of the link document, which now states out the release of schematic funds in a similar fashion. We have elaborated the manner in which this should be done in the chapter on Fiscal Decentralisation

g. Untied funds can be transferred to PRIs through the Nationalised Bank Network, along with Non-plan and Plan funds. This aspect is again elaborately discussed in the chapter on Fiscal Decentralisation.

h. The formula for the devolution of untied plan grants is more properly to be devised by the Second Finance Commission and we recommend that the Government should add this to the terms of reference for the Commission.

5.12. What government departments will do when their funds are untied:

5.121. It is but natural that there could be some apprehension regarding untying of developmental and beneficiary oriented schemes into a largely general corpus, the use of which will be planned by PRIs. A simple and blunt conclusion would be that this spells the death knell for field departments: after all, if departments do not have any schemes to implement, why have them at all? This fear may drive departments to stoutly resist the untying of funds. This requires some clarification and we give below the reasons why untying of funds will not by itself render departments irrelevant.

5.122. First, we emphasise that by untying funds locked up in departmental schemes, we merely recognise the reality that currently several of them have often such tiny outlays that they have little or no impact on desired outcomes. The very paltriness of the developmental funds dissipated through a plethora of tiny schemes is itself a strong justification for untying them to form a common corpus.

5.123. Second, it is erroneous for departments to be under the impression that they stand to lose from the process of untying funds. On the contrary, untying funds will actually provide them greater opportunities for displaying initiative and responding better to peoples' needs. Before untying funds, each department would have had a set of schemes with rigid criteria into which beneficiaries would have had to fit. Some schemes would have had poor response, while others would have been more popular. Reappropriating funds from one head to another would have required following a cumbersome procedure. However, under the new scheme of things the untied corpus would be available with the concerned PRI for utilization within the over all sectoral reservation. Departments would then have to change from being dispensers to being seekers of funds. Proactive departments would have the freedom to devise schemes relevant for the people. Thus dynamic departments which are able to respond to the peoples' changing needs, will gain by having more untied funds allocated to them by PRIs. Obviously, departments would have to change their entire mindset and work culture. But this is a challenge and an opportunity.

5.124. Third, an important gain from untying funds would be that departments would be driven to greater accountability and critical examination of the cost benefit of their existence. Thus a department whose schemes are not perceived to be relevant but incurs

high overhead costs would be driven to rework its schemes and critically examine its costs. Such examination would lead to corrective measures much more rapidly than under the current dispensation; for instance, a department may decide to close down unproductive offices or effect staff and maintenance budget cuts. Thus the creation of untied funds would be the best instrument of gauging departmental efficiency and relevance, both important aspects of accountability to the people.

5.13. Whatever may be the misgivings of departments the concept of untied funds is gathering strength nationwide. States such as Kerala have already had a good experience with this concept and the Government of India itself has shown intentions of pursuing it – the draft approach documents to the 10th Five Year Plan speak of the need to do away with Central and Centrally Sponsored schemes; which is in a sense an acceptance that they ought to be untied. Karnataka cannot and should not lag behind in this respect. The State can make a significant beginning through the course of action suggested by us

5.14. Sequencing the untying process:

From the experience of Kerala state, it is found that the most appropriate time to untie funds is during the transition from one plan period to another. Since this is the last year of the Ninth Five Year plan and the Tenth Five Year plan commences from 2002, we suggest that there is very little time to lose and the state should immediately take action in this regard. In this direction the suggestions made by the Administrative Reforms Commission should be acted upon immediately. These suggestions relate to the following points:

- a. An examination of State and District Sector schemes so that their classification as such is based on rational criteria;
- b. Rationalisation and converging District Sector schemes, so that a plethora of small schemes are wound up in favour of creating more untied funds with greater flexibility.

5.15. Task 7:

Doing away with intermediaries in decentralized planning.

Under section 309 of the PRI Act, every Grama Panchayat shall, having due regard to the development programmes suggested by the Grama Sabha, prepare an annual development plan and forward it to the Taluk Panchayat before such date and in such form as may be prescribed. Similarly, every Taluk Panchayat shall prepare every year a development plan for the Taluk after including the development plans of the Grama Panchayat and forward it to the Zilla Panchayat before such time and in such form as may be prescribed. Under Section 310 of the Act, every Zilla Panchayat shall prepare every year a development plan of the district after including the development plans of Taluk Panchayats and forward it to the District Planning Committee. This hierarchical collation of plans through each tier of the PRI is one that strikes at the root of decentralised planning. Once we recognise that each PRI is a sphere of government and not a tier, the

necessity to collate plans at each tier disappears. In fact, there would be no need to develop a hierarchical system of collection and consolidation of plans at each tier, as this would by implication place one tier as being subordinate to another or that one is superior to the other, which is not in keeping with the spirit of decentralisation. We propose that section 309 of the Act be amended with each tier being obliged only to send its plan directly to the DPC, for inclusion in the District plan. This can be done directly without any intervening examination by any other tier.

5.16. How the Grama Panchayat will plan under the new scheme of things.

5.161. The current system of planning at the Grama Panchayat level leaves much to be desired. Equal distribution of funds among members of Grama Panchayats seems to be the main practice in so far as intra-panchayat resource allocation for the planning process is concerned. Projects prioritised for actual implementation tend to be mostly construction-oriented. While such prioritisation may be valid, the fact that they often provide contractual opportunities to Panchayat members and their friends and relatives cannot be overlooked. There are good examples of people's participation at the stage of project implementation through the formation of special committees but this is more the exception than the rule. Quite often, downward accountability for planning is poor, with low transparency and apathetic Grama Sabhas.

5.162. The second shortcoming with respect to the Grama Panchayat planning process is the lack of any long term or medium term perspective. Works are chosen for the day, and there is insufficient background work done in terms of assessing local resources, identifying developmental gaps, prioritising them and finding solutions on how to meet them. This is paradoxical. Most planning processes speak of long term perspectives and in fact, through the five year national planning exercise, departments are familiar with the preparation of perspective plans; however, we have not ever thought it necessary to take this concept down to the Grama Panchayats.

5.163. Under the new set-up where Grama Panchayats are to be provided with a greater proportion of untied and mandated funds in the manner described in the earlier section, they will be expected to produce meaningful plans for their areas and satisfy the needs and aspirations of all their constituents. The planning exercise will comprise of preparing a five year perspective plan for the period corresponding with the national plan period, and preparing annual plans that define and prioritise areas and schemes from the perspective plan. The development of Perspective plans may look to be a cumbersome and needless complexity. However, we hope that it will for the first time, capture the overall picture of the Panchayat, and allow the people to understand what planning and governmental funding could hold out for them. It will also set benchmarks for guiding the developmental process. Finally, it will make the entire process of subsequent planning much easier.

5.17. The Vasathi and Grama Sabhas as originators of the planning process.

5.171. The legislatively provided groupings of people such as the Vasathi Sabhas and the Grama Sabhas should become the foundations on which decentralized planning is built. The initiatives that we propose for strengthening such groupings would go a long way in restoring the confidence of the people in these institutions. The activities for which they would have to plan would include the primary and secondary production sectors, infrastructure (creation and maintenance) and services. The latter will include all civic amenities and services relating to education, health, drinking water, etc. Panchayats will also be expected to determine through the mechanism of consultation through Vasathi Sabhas and Grama Sabhas, beneficiaries for several programmes, including anti-poverty programmes such as SGSY and subsidised food grain distribution through the Public Distribution System. However, how exactly would these citizens' groups plan? As described below, the planning process will perforce become much more long drawn out and will involve a lot of background work. It would be optimistic to assume that straightaway; people would actually undertake the potentially complicated exercise of planning. Leaving the planning exercise to be entirely unstructured can only result in a lack of focus and fortify the view that decentralisation of planning is slow, cumbersome and messy. Therefore, such meetings will have to be structured. However, there are limits to which group meetings can be structured and imposing too much structure in to such meetings may be counter productive. There ought to be a right compromise between structuring and unstructured meetings of citizens' groups and we suggest the following five-stage broad sequencing of the planning process.

5.172. Stage 1: Preparation of a 'wish list':

First, the Vasathi Sabhas will identify needs and generate suggestions for plans and programmes. Initial meetings of Vasathi Sabhas towards the development of a people's plan would revolve around the identification of needs in a largely unstructured manner. The unstructured preparation of a 'wish-list' allows every section of the people to articulate what they would ideally want if they had the resources.

5.173. Stage 2: Situation analysis:

Once the 'wish list' is prepared the project facilitation team (this concept is discussed in the sub-chapter on capacity, in the Chapter on Administrative decentralization) would aid the Grama Panchayat to undertake an on the ground situation analysis, which would identify and document the current state of things in the Grama Panchayat.

5.174. Stage 3: Identification of gaps:

After the situation analysis is done, it is compared with the wish list, which would throw up the gaps that require interventions.

5.175. Stage 4: The development workshop:

Once the gaps are identified the next step would be to discuss strategies and perspectives for solutions to bridge these gaps. This would go hand in hand with discussions on the resources allocations, and would be followed by firming up implementation strategies. These aspects of planning would be undertaken through a development workshop, which is basically a special and well-structured meeting of the Grama Sabha, or sub-committees constituted by it. The development workshop would develop a shelf of projects to be implemented over the period for which the perspective plan is developed, which we recommend should be for a period of five years, corresponding with the five-year plan period. The prioritisation of these projects could depend on the availability of funds. The outcome of the developmental workshop would be the emergence of a plan with various subprojects, all of which have their genesis from discussions within the Vasathi and Grama Sabhas.

5.176. We have spoken of the constitution of Project Facilitation Teams (PFTs) to aid and assist Grama Panchayats to help develop their plans and schemes. The manner in which the PFTs would develop capacity to plan is fully described in the chapter on Administrative decentralisation. PFTs will flesh out priorities and strategies that emerge from the development workshop. It would help vet the plan against guidelines, prepare estimates and set monitoring milestones for village plans.

5.177. Stage 5: Processing of the developmental plan:

The draft plan generated in the Developmental Workshop will be presented before the Grama Panchayat meeting, where it forms the starting point for discussions on plan development. After finalisation, the Perspective Plan prepared by the Grama Panchayat will be placed before the Grama Sabha for final discussion and ratification. Obviously, in the Grama Sabha representatives of the Vasathi Sabhas will be present. Such a mechanism will allow such discussions on development of priorities arrived at by the Grama Panchayat to be discussed in public.

5.178. Preparation of the Annual Plan:

The Annual plan is derived from the perspective plan. Once the perspective plan is prepared, the prioritisation of programmes and beneficiary lists prepared for implementation during the year will be relatively easier. With respect to works included in the Annual Plan, the list determined according to the priorities arrived at Grama Panchayats will be sent if necessary, to concerned line department officials for technical scrutiny. The Grama Panchayat will work out an implementation plan and provide time limits within which milestones in prioritisation, plan preparation and implementation are achieved. Once the performance criteria are worked out, they will be monitored in the subsequent meetings of the Vasathi and Grama Sabhas. Such efforts will also be supported by administrative mechanisms that monitor the impact in terms of equity, efficiency and sustainability.

5.179. Selection of Beneficiaries:

With regard to the selection of beneficiaries, the Vasathi Sabha will be the forum where requests for being included as a beneficiary will be examined and included. With increasing literacy, written application forms could also be developed as also simple and objective criteria for selection. The criteria followed and the list of beneficiaries finally selected by the Vasathi Sabha and approved by the Grama Sabha will be displayed in the Grama Panchayat building, Schools, Anganawadi centres and other prominent places in habitations comprising the Grama Panchayat.

5.18. The planning process at the Zilla and Taluk level:

It goes without saying that the planning process at the Taluk and district levels will also change fundamentally with the greater flexibility that rests with the Grama Panchayat. Rationalisation of schemes will have major implications on the way that ZPs and TPs plan. In Chapter 4, we have stated how the roles of these tiers could vary depending on the arrangements that are made between the three tiers through a system of contracts and MOUs. In addition, the ZP and the TP will have specific responsibilities to administer certain programmes relating to management of institutions such as hostels, secondary schools and Raitha Samparka Kendras (Farmers' centres). We expect that the inputs for ZP and TP plans will essentially flow from feedback from Grama Panchayats regarding the works that are outside their purview but still are essential to them, such as with respect to inter-village road formation, inter-village irrigation structures etc. The members of these bodies can plan within the norms given to identify development activities from the feedback received from Grama Panchayats and prioritise them. The prioritised activities would be sent to obtain technical inputs and financial planning from the concerned line departments through the CEO. These can then be brought before the relevant standing committee for vetting after which the draft plan is brought to the ZP for approval. There will also be a need to create a system for monitoring at both TP and ZP levels.

5.19. The District Planning Committee:

5.191. We propose that the DPC should be the sole body that is entrusted with the task of developing an integrated plan at the district level. The DPC is not an executing body, but basically a planning and evaluation body and it should be careful that in the exercise of its powers it does not sit in judgment over local plans that have been prepared by each PRI. In our setup, the head of the DPC is the Adhyaksha of the ZP and therefore there can be expected to be a close coordination between PRIs and the DPC. With greater decentralisation and entrustment of untied funds and flexibility to develop plans to the Grama Panchayats, we propose that the DPC should also provide representation to Grama Panchayat Adhyakshas.

5.192. The role of the DPC as a planning facilitator:

We have already described the manner in which PFTs are expected to help Grama Panchayats to develop their perspective and annual plans. This would naturally throw open several issues, such as who are the members of PFTs; and who constitutes PFTs to aid and assist PRIs. We expect such a facilitating and coordinating role to be played by the DPC. Thus it would be the DPC that would provide the service of soliciting volunteers for PFTs within a district. We have described how even Government Officials willing to take a sabbatical should be allowed to join PFTs for specified periods. PFTs may also consist of retired people as also NGOs who wish to join such teams to guide local PRIs, especially Grama Panchayats to prepare their plans, both perspective and annual. The DPC could coordinate this exercise. However, one must repeatedly emphasise that the PFT concept, being basically a way of encouraging PRI-civil society collaboration, should be protected from over bureaucratization and rigidity. Since this is largely a voluntary initiative, PFTs cannot be foisted on PRIs that are unhappy with their constitution. Therefore, this role of the DPC, as a facilitator, has to be carefully planned and sincerely played. The DPC should also be given the flexibility of engaging experts from various disciplines for assisting PRIs in preparing plans and effectively implementing them.

5.193. The role of the DPC in building capacity for decentralized planning:

The development of plans and the role of the DPC in capacity development in the district are elaborated in the section on capacity building.

5.20. Task 8:

Enforcing financial discipline while planning.

5.201. There is a widespread view that PRIs tend to be profligate in their spending and such assessments are not wide off the mark. PRIs routinely take up works that are much more than the allocations made to them. Works are often included in the action plan with only a token allocation made for them or without any funds allocation at all, under pressure from elected representatives and local contractors. This is especially true with respect to road works and buildings. It is not as if given the level of funds that are actually available for works, what they suggest cannot be completed within the annual plan period – elected members are often not as interested in completion of their work, but in the fact that a commitment towards inclusion is made in the plan, through a ‘token provision’ of funds. Once a work is included in the action plan, there is always the possibility that pressure can be mounted to grab payments by diversion of funds later on. Such a situation arises basically from the fact that the planning process has itself deteriorated into a spoils sharing system under which elected representative vie for inclusion of ‘their’ schemes and works. Quite often, we have seen the phenomenon of an outgoing PRI making huge commitments towards new works, so that the new body is burdened down by the need to provide funds for spillover works. This problem has snow

balled and brought a bad name to the entire concept of decentralised planning. The concept has now been subverted into a “grab what you can when it lasts” exercise, done by PRI members beyond closed doors.

5.202. The result of such lack in planning discipline is two-fold. First, it reinforces the belief of the State government that PRIs are irresponsible spenders and second, if such plans are indeed approved, it spreads funds too thin, becomes counter productive and result in time and cost overruns. Another possibility of lack of financial discipline is that PRIs could easily change their budget time and time again through simple resolutions. This could affect financial discipline and hamper effective downward monitoring by the people.

5.203. While legislative provisions introducing transparency and the duty to give information would mitigate the problem to a large extent, we also believe that the law should enjoin PRIs to observe fiscal responsibility and planning discipline. We propose to introduce provisions in the PRI act that enjoin fiscal responsibility to deal with issues such as over-spending, taking up more projects than possible, violating due process and incurring wasteful expenditure. These provisions would specifically provide for the following stipulations being observed in plan development.

- a. Spill over works shall be fully provided for;
 - b. Estimates of own resources should not be optimistically raised in order to justify the taking up of new works;
 - c. Commitment of funds towards works that spill over beyond the period of representation of PRI members should be restricted;
 - d. Limits shall be imposed on the freedom to borrow funds;
 - e. The process of budget preparation shall be transparent.
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CHAPTER 6

FISCAL DECENTRALISATION FOR EFFECTIVE PLANNING

6.1. In this chapter we look at those indicative areas referred to the Working Group, which relate to fiscal decentralization and fiscal empowerment of PRIs. These issues span matters from an examination of the role of the State and Central Finance Commissions, to issues concerning taxation and disbursement of funds. We examine these issues below.

6.2. Role of the State and Central Finance Commission:

6.21. The role of the State and Central Finance Commission is one of the areas indicated to this Working Group for its comments and suggestions. The Eleventh Central Finance Commission has already given its report and the devolution principles enunciated in it are already under implementation. The Second State Finance Commission has already been set up and its report is expected shortly. The terms of reference of the Second State Finance Commission enjoin it to review the financial position of PRIs and Urban Local Bodies (ULBs) and make recommendations to Government regarding determination of the principles that govern the following issues:

- a. The distribution between the State Government on the one hand and the PRIs and ULBs on the other of the net proceeds of the taxes, duties, tolls and fees leviable by the Government as also the allocation between them of shares of such proceeds;
- b. The determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by PRIs and ULBs;
- c. The Grant in aid that may be given to PRIs and ULBs from the consolidated fund of the State.

The Commission is also expected to examine and suggest the extent to and the manner in which the resources available to PRIs and ULBs could best be utilized for meeting their expenditure and make a detailed analysis on repayment of Government loans and advances to PRIs and ULBs. It is also expected to recommend strategies for repayment, including adjusting these dues against future devolution of revenues from Government to these bodies. While making its recommendations the Commission shall have regard to the resources of the State Government and the demands on it, including expenditure on civil administration, debt servicing, development and other committed expenditure.

6.22. As can be seen, the above terms of reference are quite comprehensive and in the light of the fact that these Commissions are constitutionally established bodies with a

clearly demarcated role, the Working Group felt that there was no need for it to make any further comments on the role of these Commissions. It would also be inappropriate for this working group to comment on the role of the Second State Finance Commission, especially when it is undertaking its task currently.

6.23. Having said that, there are a few general areas of concern that both the Government and the Commission could consider. First, we suggest that the criteria for devolution of funds should be kept transparent and simple; so that all those affected can understand its implications vis-à-vis their local PRI or ULB. We admit that this involves a certain degree of tight rope walking. Devolution formulae could range from the simplest method of making an equal allocation to each member of a class of local body or PRI, to those related entirely on population based criteria, to increasingly complex formulae that look at incidence of poverty, or relate devolution to the capacity of local bodies to raise their own revenues. Transparency in application is inversely proportional to the degree of complexity in the formula – the more difficult a formula is to understand, the more likely it can be twisted or manipulated in implementation without anybody being able to tell the difference. Prorata or equal allocation, though crude, is simple to understand by even the lowest person in the hierarchy; so is a devolution formula based on population. Increasingly complex formula based on poverty indicators are, in theory, a good way of addressing the problem of unequal development, but in practice, such formulae are only as strong as the accuracy with which these indicators are tracked. We see no way out of this debate and in the past too, the methodology and suggestions made by Finance Commissions have been open to question and debate. We suggest that the devolution package could have three parts. While a basic chunk could rest on a primary pro-rata per capita allocation that the Finance Commission could determine, a second slice could rest on the basis of clearly identifiable poverty and underdevelopment criteria, and a third slice of devolution could be incentive driven; having a clear and easily understood linkage with the collection of taxes and other resource mobilisation by the concerned local body vis-à-vis its identified revenue and resource generation capacity. This is an interesting challenge for PRIs as a system of tax mapping, in order to determine what can be the taxable capacity of each PRI, will also have to be undertaken simultaneously so that the incentive aspect can be operationalised. We believe that the Finance Commission ought to look at this too.

6.24. Task 1:

Ensuring that there is no deviation from a devolution formula by the Government:

Once the Government accepts a devolution formula, there should be no deviation from this in action. History is not too encouraging – in the past, the Government has often followed the regrettable practice of making special allocations over and above the normal devolution, in order to specifically take up certain works on the basis of pressures from various quarters. Quite often, Finance Department has issued such orders, without consulting the RDPR department very clearly establishing that they are special favours done to those PRIs, on considerations other than justified. This happens year after year and the details of such releases made during the current year are detailed below:

ADDITIONAL RELEASES TO ZPS DURING 2001-02(UPTO10/01/02) Rs. In lakhs

Sl no	Zilla Panchayat	3054-Roads & bridges		2215-RWS		2702-MI		2515-ORDP	
		Plan	Non-Plan	Plan	N.P	Plan	N.P	Plan	N.P
1	Bangalore (Urban)	170.00	180.00						
2	Bangalore (Rural)	70.00	120.00		10.00	58.90			
3	Chitradurga	10.00							
4	Kolar	20.00		30.00					
5	Shimoga	20.00	79.00						
6	Tumkur	35.00	16.30	0.95		6.45			
7	Mysore	25.00	35.00						
8	Chickmagalore	15.00							
9	Dakshina Kannada								
10	Hassan		35.00						
11	Kodagu		50.00						
12	Mandya	215.00	120.83						
13	Belgaum	10.00							
14	Bijapur								
15	Dharwar								
16	Uttara Kannada		10.00					35.00	
17	Gulbarga								
18	Bellary*	2478.00							
19	Bidar							100.00	
20	Raichur								
21	Davanagere**	433.50	75.25	1.00		5.50			
22	Chamarajanagar								
23	Udupi	50.00							
24	Bagalkot								
25	Gadag	25.00							
26	Haveri	15.00							
27	Koppal								
	Total	3591.50	721.38	31.95	10.00	70.85		135.00	

*Includes 2478.00 lakhs for Bellary package

**Includes 360.50 lakhs for Bellary package

It can be seen that except for the allocation towards the "Bellary package" of development, which was a conscious policy decision taken by the Government to increase the funding to a particular district, in all other cases the reasons for making the extra devolution have not been revealed for public scrutiny. In most such cases, the releases are made on the basis of local political pressure and are often made towards taking up works that are suggested by legislators who then obtain special allocations for them. Such works may not even find a place in the action plan of the local body. It is also not a coincidence that the greatest pressure for the release of additional funds arises only

in cases where engineering contracts are involved; there have been no instances of any additional allocations being made for other schemes, say a scheme for providing more facilities for children through Anganwadis, etc. Such tendencies have to be discontinued and should not be encouraged. We suggest that once the rules and criteria of devolution are made known, they ought not to be broken whatever be the pressure. Once they are ignored in making special allocations as detailed above, respect for them is lost. Deviation from a devolution formula also places the Government in an inconvenient position. Once it is known that a Government can override a devolution formula, then there could be a scramble for such funds and individual elected representatives would vie with each other to get additional allocations made for their constituencies or works selected by them, generating corruption in the process and then claim credit for such allocation. Where is the respect for a decentralized process of planning in such circumstances?

6.3. PRIs and their Taxation powers:

6.31. The theoretical basis of what taxes should be assigned to local bodies for collection is fairly well established. Without getting into a debate as to how these have evolved, some of these basic principles are detailed below:

- a. First, the more immovable the assets or resources proposed to be taxed, the greater the justification in assigning the responsibility of collection to a local body.
- b. Second, taxation on movement of goods through an octroi type of levy is an outdated concept and should not be reintroduced, especially as it restricts increasing integration of markets, which in turn facilitates efficient production at improved scales of economy.

6.32. Tested against the first precept, it becomes obvious that taxes on landed assets such as land, houses, commercial properties and other land-related local resources ought to be logically levied and collected by local bodies. Presently Grama Panchayats have been assigned the power to collect property taxes on houses, house properties, industrial and commercial properties. The power to collect land revenue is still assigned to the Revenue Department and other "immovable" revenues, such as water rate, are assigned to other agencies such as the Irrigation Department. We proceed to examine each of these aspects below.

6.4. Collection of Property Tax:

6.41. Data would show that in spite of the law permitting the collection of several kinds of taxes by the Grama Panchayats, they still predominantly depend of property taxes for the bulk of their revenues. Consequently, improvement in systems of property tax ascertainment and collection will go a long way in improving local finances. There are two reasons why more efficient levy and collection of taxes is a future imperative for improving the quality of life in rural areas. First, schemes that aim at improving the local

environment within dwelling areas in villages such as the Swachcha Grama yojana are implemented using money raised by the Government at close to commercial rates of interest. Even though these loans would have to be eventually repaid by the Government, the raising of property taxes locally would justify such an investment to some extent. Second, as the availability of local dispersed rural infrastructure reaches saturation levels, the emphasis would change to operation and maintenance, the cost of which would have to be met through local revenues, either in the form of user charges or enhanced poverty taxes.

6.42. There is a strong case for simplifying processes for determining property taxes. The process currently in vogue is the determination of property tax based on a calculation based on a determination of the Annual Lettable Value (ALV). The determination of ALV is fraught with the danger of use of unaccountable discretion on the part of assessors and leads to a great scope for corruption.

6.43. Task 2:

Simplifying Property tax estimation systems:

We need to take a cue from emerging practices in urban areas for determination of Property tax. Accordingly, formulae for levy of taxes should be based on easily identifiable and less subjective criteria such as plinth area and type of construction. Once the basis for collection of taxes is made simpler and more transparent, we believe that the self-assessment system, tried out with great success in urban areas, could be easily implementable in rural areas also. In urban areas such as Bangalore, the success of the self-assessment scheme depended on several factors. First, the property tax calculation was based on criteria simple enough for householders to understand and operate. Second, the whole scheme was given good publicity and a clear time limit for opting for the same was fixed. Third, there was the well-publicized possibility that random checks would be conducted and punitive rates levied on those who made wrong self-assessments. These strategies resulted in a good response to the scheme and a consequent increase in the tax demand as well as tax paid. We believe that the same approach will be equally relevant for rural areas.

6.5. Should the people be consulted in the process of levy of taxes?

6.51. An area on which there have been divergent views is with regard to whether taxation formulae should be imposed from the top, or whether they should be developed through a process of mutual negotiation between the Grama Panchayat and the people. This is an issue that is much more relevant in the rural context rather than the urban as in the latter, the law does not provide for an institutional mechanism such as the Grama Sabha for the ULB to consult the local people face-to-face. Using the mechanism provided for consultation of the people through Grama Sabhas for the determination of a taxation scheme has both its pos and cons. Detractors opine that if they are consulted, there is the distinct possibility that the people may not vote unto themselves an increase

in their taxes. The contrary view is that taxation, just as in the case of any developing activity, ought to have the backing of a general consensus from the people for it to succeed. The latter view certainly has its good points. The great advantage of getting the Grama Sabhas to concur to a taxation formula is that once the scheme is approved by a general consensus, it is far more likely to succeed. After considering all pros and cons, we believe that prior consultation of the Grama Sabha should be a prior requirement before a taxation formula applicable to any Grama Panchayat is implemented. We suggest that the following safeguards would diminish the likelihood of a Grama Sabha voting for itself very low levels of taxation.

6.52. First, the amount of funds that comes to the Grama Panchayat through the devolution formula should be highlighted. If the devolution formula incorporates an incentive aspect based on local taxation (as we have suggested that it should), this should also be highlighted not merely by way of a general statement, but as to exactly how it would practically apply in the context of each Grama Panchayat. In other words, the formula should be explained with actual numbers to show how much the Grama Panchayat will stand to gain in case it goes in for a revision of taxes. Once the incentive in paying taxes is made known; that tax collection would have a bearing on the devolutions of funds to Grama Panchayats, people may feel more inclined to pay up their taxes.

6.53. Second, as a practical implementation strategy, one should not aim for large and sudden increases. Considering the fact that currently property taxes are at very low levels, any formula that suddenly increases taxes will meet with resistance leading to rejection of the concept.

6.54. Third, the aim should be to increase the tax base by bringing into the property tax fold in whatever small manner that it might help, all properties, including those developed under various housing programmes that have been hitherto practically exempted from property taxation.

6.55. Fourth, the consultation process need not be undertaken every year - a good method of escalating taxes every year would be to link it to an inflation connected index and then escalate it over a base year figure. This will ensure a substantial measure of predictability and consequently, acceptability of taxation schemes.

6.6. Collection of Land Revenue by Grama Panchayats:

6.61. In the suggested Activity Mapping for PRIs that forms part of this report (this is derived largely from the report of the Task Force constituted by the Government of India to look into this aspect) we have suggested assigning a greater role to PRIs in land administration. However, we have consciously stayed away from suggesting that land revenue collection can be assigned to PRIs. This would at first sight go against the first precept that we have espoused, namely, that land-related taxes are appropriately leviable by local bodies rather than by the Revenue Department. We suggest a gradual transition to a system of collection of land revenue by Grama Panchayats for the following reasons.

6.62. First, under the current long established system of land administration, the system of land revenue collection is now indivisibly linked with the process of maintaining land records. Under the current system, evidence of ownership of land lies scattered over several legal documents, namely, the documents of title such as a sale or an inheritance deed registered by the Registration Department, the document of Rights, Tenancy and Cultivation (RTC) and the Khatha, both maintained by the Revenue Department and the Survey Document, maintained by the Department of Survey and Settlement. In such a system, land revenue is often paid not so much in pursuance of an obligatory duty to pay taxes, but as an addition to evidence to assert one's ownership of land.

6.63. Second, the importance of land revenue for mopping up resources has diminished considerably. At current levels, the collection of Land revenue does not even cover the cost of collection. Thus in case the staff currently engaged in land revenue collection are also transferred to the Grama Panchayats, they will not stand to gain much; they may even end up suffering a net loss on collection.

6.64. Third, this process would also be tied up with the entire question of imposition of an Agricultural Income Tax, an issue on which the Tax Reforms Commission constituted by the State government has given its suggestions. The Tax Reforms Commission has stated that land revenue may be considered a presumptive agricultural income tax and indexed to inflation. While conceding the line of reasoning adopted by the Tax Reforms Commission, as being more acceptable, we would differ from the conceptual position of treating land revenue as a presumptive agricultural income tax. This is because land revenue is still charged on lands from which the assessee does not derive any income – this underscores the classification of land revenue as a property tax and not a tax on income. However, whatever may be the conceptual position that surrounds land revenue, indexing of land revenue to inflation will necessitate amendment of the law to change the resettlement process through which land revenue can be revised.

6.65. We therefore suggest that though in theory the collection of land revenue by the Grama Panchayat is sound, the transfer of such responsibility is best done in tandem with other reform initiatives in land administration. Perhaps the most appropriate time for shifting the responsibility of land revenue collection to the Grama Panchayat would be as and when cadastral systems of maintenance of land records are brought into force and registration of title, survey of ground details and recording of cultivation details converge into a single system. Once this is done, the documentation of ownership would be considerably simplified through unification and tax collection on the basis of such ownership can be carved away and entrusted to Grama Panchayats. Under these circumstances, the assignment of land revenue collection to Grama Panchayats can be taken up a part of comprehensive proposal aimed at reforming the land records maintenance system and the resettlement process. We thus assert that after unification of systems, we go back to the guiding principle that land administration and revenue collection should be located at the Grama Panchayat level.

6.7. Task 3:

Introducing taxation for services, and user charges:

6.71. We also suggest that there must be an emphasis on looking at innovative means of raising resources. Several services are provided practically free in rural areas, for which PRIs and especially Grama Panchayats incur much capital and recurring expenditure. In addition, there is a growing involvement of civil society groups in the implementation of several development programmes, where they contribute in terms of money, time and effort in developmental processes, such as in the case of the tank user groups and watershed committees under the Karnataka Watershed Development Society (KAWAD). This also constitutes a means of raising resources. In case development outlays to rural areas are to be increased, there is a need to tap local resources to pay, at least partly, both capital and recurring costs. There is also a need to widen tax bases, while keeping the rates of taxation low. In addition, there would be a need for a judicious mix between general taxation and service-based taxation. Capital costs can be recovered through the levying of taxes for services provided and recurring costs through user charges. In this direction, not enough has been done in the direction of imposition of taxes for services provided and user charges for the use of such services.

6.72. While enhancing the credibility of PRIs as responsible and honest spenders of public money is what this report is all about; we can no longer say that people in rural areas do not pay taxes because of the lack of money. With respect to the issue of tapping local resources towards capital outlays, we need to understand and use local perceptions to our advantage. While people resist the imposition of property and other taxes by the Government, they are in contrast quite enthusiastic about making voluntary contributions toward temples and similar common village assets. This is clearly because there is a lack of credibility in institutions of Government, whereas with respect to contributions for private causes, there is a greater sense of belonging and ownership. Even with respect to Government programmes, people tend to be more enthusiastic about paying taxes where they perceive that a direct benefit will accrue to them. This is amply proved when we contrast the general reluctance to pay property tax, with the much more enthusiastic response to preconditions attached to some government schemes, especially in the drinking water and sanitation areas, for a certain proportion of local contribution to be made. Strategically, we believe that there is a greater scope for more such arrangements to facilitate tapping of local resource-raising capacities. However, we must be careful not to oversimplify such arrangements, while providing flexibility in operation. First, such schemes should minimize the possibility for an interested party such as a contractor to make a proxy contribution on behalf of the people in order to get a potentially lucrative work assigned to him. One way of doing so is to monitor the detailed build up to the process of devising a collection scheme, so that it can be ensured that contributions are indeed made by the people, and the slab rates of contribution are determined on the basis of equitable parameters set with their consent. Second, many contributory schemes are inflexible, inasmuch as that they require that the full contribution be made up front, before work on the project so funded commences. Such inflexibility may place several schemes that require larger capital outlays, such as multi-village drinking water schemes outside the scope of a contribution-based design. We therefore need to bring in

appropriate systems that allow for the contributions to be made towards such schemes over a period of time, through the imposition of a tax for services on the specified user group.

6.73. On the issue of user charges, we find that several general recommendations that stress the need to levy user charges have found expression in a variety of governmental policy papers, the latest being the report of the Administrative Reforms Commission of the Government of Karnataka. In addition, the terms of reference of the tax reforms commission have been enlarged to include making policy suggestions with respect to the levy of user charges. However, frameworks for the determination of user charges for specific services have not been worked out. In the rural sector, in the rare instances where systems of levy of user charges have emerged through local consultation and consensus, there has not been enough work done on sector wise documentation of best practices in the determination of user charges. There is an urgent need to do this quickly. Making general recommendations for the levy of user charges and then leaving it to the Grama Sabha to do the rest would not be enough. We must develop operative frameworks that lay out the ground rules that become the foundation on which local solutions and formulae for the levy of user charges can be built.

6.8. Task 4:

Using the Grama Panchayat as an agent for the collection of dues:

6.81. We see great potential for Grama Panchayats in the State to act as an agent for other government agencies, particularly utilities, for the collection of a large variety of dues. In spite of their general financial weaknesses, Grama Panchayats have a potential for developing a strong field presence in this field. Bill collectors employed by the Grama Panchayats comprise a large body of that field presence. However, they seem to be the most friendless category of staff in the PRI set-up. They are not Government employees, having been recruited locally and often indiscriminately, by the Grama Panchayats themselves. They are generally blamed as the prime reason for several of the ills that plague Grama Panchayats. In many Panchayats, bill collectors have become a burden as they gobble up most of the establishment expenses. The problem is compounded by the fact that taxation levels are low and do not even cover establishment expenses; bill collectors are not accountable for the efficiency of collection and they are poorly managed. However, it is incorrect to blame bill collectors alone for the present state of things. Not being government employees, they do not have the benefit of training even once in their careers, and a poorly trained employee becomes a bad employee. There is a strong case for rightsizing this category of PRI workers, but this is easier said than done: they have all the trappings of permanency that are today available to Government employees, except the facility of a pension after retirement. We feel that if the Panchayats and the Government cannot trim the size of this category of workers in the set up, they must make the best use of them. One way of optimizing the services of bill collectors is by utilizing them for the collection of other governmental dues from people living in village panchayat jurisdictions. There is a great potential for doing so in the case of electricity supply dues on IP sets, the annual demand of which exceeds Rs. 100 crores. A significant portion of this demand remains uncollected due to a serious shortage of local

KPTCL staff at the field level. We recommend that arrangements should be worked out by which Grama Panchayats become agents for the KPTCL for collecting such dues. Grama Panchayats could base such arrangements on an agency commission payable to them. This would be mutually beneficial to both the KPTCL and Grama Panchayats; local finances of the latter would be bolstered. Once the KPTCL and Grama Panchayats are both familiar with such arrangements, more sophistication could be introduced into them, including setting off to the extent possible, the commissions earned by the Grama Panchayat against its own electricity dues. Similar arrangements could also be worked out for other departmental dues.

6.82. By putting in place such arrangements; the role of bill collectors would be optimized. Bill collector emoluments can be linked to collection efficiency. This could be done through either a system of incentives or giving a proportion of the collection to the bill collector as commission. Here again, such arrangements will have to be worked out at the local level with the full participation and knowledge of the people, so that there is a large degree of acceptance. The adoption of such methods for collection of dues on an agency basis can also be optimized through the provision of incentives in the devolution formula for them.

6.9. Taxation of other local resources:

While in the case of land revenue, we have proposed that transfer of the responsibility to Grama Panchayats could be linked to comprehensive reform in land administration, the collection of several other land related dues could be decentralized relatively easier. The main amongst them is the levy of water rates on around 36,000 Minor Irrigation tanks that have been entrusted to PRIs. While currently water rates on these tanks are either negligible or not levied at all, there is a growing realization that there will have to be a levy of tax and user charges, especially in the context of restoring them to their full capacity through desilting and repair. Here again, there is justification to entrust the collection of water rate to the Grama panchayat. However, in such circumstances, other issues concerned with the taxation of local resources have to be kept in mind. As we have elaborated in the chapter on Administrative Decentralisation, in several projects that aim to improve local resources, the main element of project design involves the constitution of user groups that participate in both the development and maintenance of local resources. The project design of the proposed Jala Samvardhane Yojane under the State Government involves tank user groups that are formally incorporated as separate societies, to desilt and maintain irrigation tanks. We suggest that while such arrangements are designed, the arrangement between local Grama Panchayats and the user group with regard to the collection of water rates (which may in the future be enhanced as a general tax and not as a cess) should be carefully defined. We must note that while user groups could be an effective method for enhancing peoples participation in implementation of government programmes dealing with common resources such as tanks, such participation does not convert the common resource into an exclusive property of the user group; by law they come under the jurisdiction of the local Grama Panchayat and the authority to levy taxes for services provided by such resources as also user charges rests with the Grama Panchayat. We do not suggest any confrontation in this

regard; obviously, Grama Panchayats will have to follow the consultation process that we have elaborately stated out in this report before taking any decision on imposing such levies and user groups would certainly have their say in them.

6.10. Streamlining disbursements:

6.101. For effective local planning to succeed, it is absolutely necessary that the funds that drive plan programmes reach PRIs in sufficient sized installments and at the right time. Under the present system this is easier said than done, for three reasons. First, the complexity of segregation of money follows complexity in plans and schemes. Since money is segregated into as many accounting heads as there are schemes, the complexities inherent in having a large number of schemes and programmes are transferred onto the process of disbursement. Second, all funds are not disbursed by the same entity or through the same path – funds could be released to a PRI directly from the central government; or from the state government, or could be a combination of both. They could be released at monthly or quarterly intervals. In externally aided projects, the money may be released first to a department or to a vehicle body such as a corporation or a society, which then transfers the money to the concerned PRI. Third, each scheme or head of account carries with it differing criteria of filing of returns or compliance to procedure that in turn trigger the release of installments of funds. If one superimposes these bewildering systems of disbursal, sources of funding and compliance conditions for release on a staggering 658 district head of accounts in the district sector and a further 1000 odd heads of account operated by the State sector in the district, the downstream confusion can only be imagined. The net output of such complexity is a destructive two fold consequence: first, much housekeeping time is spent in the accounting process alone; second, it is well nigh impossible to get the complete picture of rural development in the state; and equally difficult even with respect to sectors such as roads, or the drinking water sector. It is high time that we found a way out of this complexity. We believe it can be done, provided certain ground rules are maintained.

6.102. First, the paths for disbursement must be as few as possible and clearly recognizable. This would be a natural outcome of the process of scheme rationalization and convergence that we have suggested in the chapter on decentralized planning

6.103. Second, the path between the disbursing party and the user party must be the shortest as possible. Release to intervening bodies causes delays and confusion. Thus disbursements of funds to PRIs should be done in a transparent manner, according to a prearranged schedule and directly to each PRI, without any intermediaries coming in the way. This will allow PRIs to execute their plans quicker and possibly cheaper as they will manage their cash flows better. As a corollary to this rule, the monitoring process also ought to be directly between the disbursing agencies and the user agency. In this context, there is a need for the state to enter into a dialogue with the central government to streamline the processes of disbursal of funds. This is a larger issue, tied up as it stands with the entire debate on whether there is need for such a large number of centrally sponsored schemes. The draft approach paper on the Tenth Five Year plan has made

several good suggestions regarding rationalization of centrally sponsored schemes and the streamlining of release processes would follow on those initiatives.

6.104. While the large number of Centrally Sponsored Schemes and the complexity introduced by them is a cause for concern, there are several improvements that the state government can make in its disbursal process. There is a strong case for re-engineering disbursal processes and we make the following suggestions in this regard.

6.105.Task 5:

Freeing PRIs releases from the ways and means position of the State Government.

This may look at first sight to be too much to ask for, but this is not so. Currently, with the large number of persons employed at the PRI level, almost 65 percent of both plan and non-plan funds in the district sector pertain to payment of salaries and their disbursal is in any case, not dependent on the ways and means position. We recommend that the balance amounts should also not be subject to the ways and means position. The imposition of abrupt treasury bans causes much harm downstream. It introduces a climate of uncertainty in promptness of payments causing delays in execution. It also results in persons who provide services to PRIs hiking their rates in order to hedge against delays, causing unnecessary cost escalation. Treasury bans, since they are not publicized, cloak release processes in secrecy. Widespread corruption arises from the arbitrariness that results.

6.106.Task 6:

Using Banks instead of treasuries for easier disbursement:

We suggest that the government re-examines the current relevance of a treasury system as a means of disbursing funds to PRIs. A Government treasury performs two functions, that of maintaining the government account and that of disbursing cash towards payment made by government. As a cash disbursing, the role of the treasury was relevant when the spread of banks was limited. However, Karnataka is a well-banked state and treasuries are no longer the sole means for far-flung PRIs to receive their allocations. In fact, the treasury network extends only to the taluka level, whereas every PRI including 5659 Grama Panchayats, now have bank accounts. The logistic deficiencies of the treasury network has inhibited fiscal decentralization, as it is often quoted as the main reason preventing disbursal of salaries at the Grama Panchayat level. It is high time that we outsourced the route of disbursal of cash through the use of banks. Already such systems of bank disbursal have been in use since more than twenty years – DRDAs received most of their central funding through the banking network and maintained their accounts in banks. The JRY scheme guidelines provided for even Grama Panchayats to open bank accounts and maintain the funds provided separately. A recent example, an outstanding one, is the releases under the Ashraya housing scheme through the Rajiv Gandhi Housing Corporation. The Corporation uses the banking network for quick disbursal of funds to its implementing agencies. The resultant smooth cash flow has been one of the factors contributing to the consequent success in the implementation of

the scheme. We therefore suggest that the entire releasing process should be re-engineered in the light of new developments in the banking sector due to the advent of Information Technology. Money can directly be released by the state government through one single designated State treasury office to banks, who in turn can transfer funds directly to PRIs who maintain bank accounts in different branches of the same bank. This process of funds transfer can easily be facilitated through computerization. There are several beneficial spin-offs from the adoption of such new systems. Since several banks now offer internet banking facilities, funds transfers are virtually instantaneous. In addition, since in such a system all releases would be operated at a single treasury office through computerized means, the processes of accounting and reconciliation would become easier.

6.107.Task 7:

Entrusting Grama Panchayats with the responsibility of payment of salaries of essential staff working in their jurisdiction:

Once the disbursement system is streamlined, it becomes easily possible to disburse salaries to staff working within the jurisdiction of Grama Panchayats. It is significant that the Task Force on Education has already suggested this, both as a matter of convenience for teachers as also to assert the control that Grama Panchayats are proposed to be entrusted, over primary school education. We suggest that the process of payment of salaries by the Grama Panchayat can be started with Teachers, but should be progressively extended to other staff too, especially those concerned with providing essential services at the field level, such as ANMs, Anganwadi workers, doctors, Veterinary staff, Agricultural Assistants, etc.

6.108.Task 8:

Ensuring transparency in releases and release frequencies:

Release frequencies must be stated out in a prior manner and there must be consistency in following them. Karnataka has been the pioneer in putting in place such systems by bringing out the "link" document as part of the Budget. The link document lists out the quantum of funds placed at the disposal of PRIs in each district under each head of account operated in the district sector. However, the transparency of this system has been considerably affected by three developments. First, over time, the number of state sector schemes has burgeoned to an extent that the total allocations that go to the districts under them are more than the funds earmarked under the district sector. Second, the link document does not further describe how much allocation should go to each PRI in the district; a process that has to be worked out locally, causing further delays and likely loss of transparency. Most Grama Panchayats complain that some of the main factors that seriously affect their financial autonomy are that they are generally unaware of the allocation of general purpose Finance Commission and State Development grants for the year and that these amounts are released irregularly by the ZPs, inhibiting proper planning and working of Grama Panchayats. Third, as described earlier, special allocations are made, which make a mockery of both devolution formulae and the concept of transparency. We suggest that the manner of stating out the quantum of funds

in the link document should be further refined to describe how much funds are allocated to each PRI institution, including each Grama Panchayat. This is not as complex as it sounds, because the process can be computerized, and second, much of the complexity is caused by the unnecessarily large number of heads of accounts, a number that ought to be considerably reduced due to rationalization of schemes.

6.109.Task 9:

Simplifying preconditions for release:

The preconditions for release should be simple and subject to effective check. We suggest that this is an aspect where considerable work ought to be done by the central government. Audit processes that have been prescribed for auditing of central sector schemes will either have to be speeded up or streamlined, so that release of funds can be undertaken in a timely manner.

6.110.Task 10:

Doing away with the system of cuts at source:

In keeping with the concept of relative independence within their spheres of responsibility, the system of one PRI making prior cuts on the devolution of funds meant for another should be done away with. A major existing problem in this regard is the issue of the ZP making cuts in releases meant for Grama Panchayats towards centralised payment of KPTCL bills. Grama Panchayats often complain that they are unaware of the exact amount billed by the KPTCL. We also have received feedback that in cases where meters do not function, the KPTCL raises bills based on previous years' average billing. The concept of making such prior cuts is of recent origin and arose as a part of a one-time exercise of settlement of old dues offered by the KEB (now KPTCL) in 1998. Through this settlement made on 14.1.1999, the Government decided that interest, penal interest and 50% of the principal amount due from Grama Panchayats would be waived as a one-time measure of settlement of over dues with KPTCL. This order also laid down for the first time that that settlement amounts in respect of each Grama Panchayat as on a cut off date, namely, 30.9.1998, would be deducted from the grants to be released to each Grama Panchayat by the ZP and paid to the Karnataka Electricity Board (KEB). Under this order, a system of centralising future payments was also ordered, with elements of a strong hierarchical relationship between the tiers; the Executive Officer of the Taluk Panchayat concerned was to supervise payment of monthly electricity bills by the Grama Panchayats after 30.9.1998. The KEB was to furnish details of pending electricity bills Grama Panchayat-wise to the Zilla Panchayats and the ZPs were to compulsorily ensure that the Grama Panchayats have paid electricity charges to the KEB, while releasing Statutory Grants to the Grama Panchayats. If any Grama Panchayat has failed to properly pay the electricity charges the Chief Executive Officer of the ZPs was to deduct the amount from the statutory grants to be released to Grama Panchayat and pay the same to the KEB under intimation to the concerned Grama Panchayat.

However, not all that was ordered actually took place. The reconciliation of KPTCL arrears as on 30.9.1998 was not done and again the dues began to mount, with

the inclusion of interest. Again sometime before May 2000, the KPTCL reported that Rs. 113 crores was due from Grama Panchayats as arrears of electricity charges in respect of streetlights and water supply schemes. A second reconciliation exercise was ordered. CEOs were advised to organize KPTCL Panchayat reconciliation meetings in each taluk before releasing the 10th Finance Commission grants to GPs. The ZPs were also authorized to make deduction of reconciled dues from Grama Panchayats from the said amount to be released from the 10th Finance Commission Grants. This has not solved problems. In August 2001, the KPTCL Chairman has again stated that dues of Rs. 98.91 crores as on 31.3.2001 are still pending from Grama Panchayats.

Thus the centralized payment of dues by making deductions from statutory grants, envisaged as a one-time exercise, has become a continuing practice. This is to be expected as this is convenient for officers, especially KPTCL officials, who now feel absolved of the need to approach individual Grama Panchayats or inform them about the billed amounts. However, in spite of the perception of administrative convenience, centralization has not solved the problem. Officers have only done the easy part of the exercise, namely, making deductions, but not undertaken reconciliation, which is the difficult part. Consequently, dues have keep on mounting month by month.

We believe that any system of making centralized payments, especially towards services rendered by utilities such as the KPTCL is fundamentally flawed. It disconnects the relationship between the consumer and the supplier and is therefore unsustainable. In the KPTCL-Grama Panchayat context, meters for Panchayat power supply are not repaired as there is no incentive to repair them as long as someone else, namely, the ZP, pays the bills. In these circumstances, we suggest that from a particular cut off date onwards, the KPTCL must collect current dues from the Grama Panchayats and under no circumstances should they again approach higher authorities for making centralized payments. We suggest that the cut off date can be fixed as 31st March 2002, so that from next financial year onwards, Grama Panchayats shall directly make payments of bills to the KPTCL. KPTCL shall submit bills to Grama Panchayats directly and treat the Grama Panchayat like any other customer.

In the short term, some billing disputes will certainly arise between Grama Panchayats and KPTCL, mostly arising out of faulty meters. In such cases, an arbitration authority will have to be prescribed for speedy settlement of dues. However, we believe that once the KPTCL realizes that it cannot rely on centralised payments, it will be more responsive to local complaints made by Grama Panchayats regarding faulty meters. In this connection it is interesting to note that the KPTCL has in several cases given commitments to install meters and then reneged on them. Such instances have come to light even with respect to closely managed drinking water projects aided through bilateral support. When such is the case, the Grama Panchayats cannot be penalized for the failure of the KPTCL to respond to their needs as a consumer of power.

While Grama Panchayats will be faced with the direct consequences of disconnecting power supply in case they are unable to pay the dues, in the long term, these measures will go a long way in strengthening Grama Panchayats. They will become more aware of their independence, and the responsibilities that go along with it.

In conclusion, we must remember that in the past, similar doubts regarding the capacity of Grama Panchayats were raised in the context of decentralizing the maintenance of drinking water projects. However, this was done and the GPs by and large rose to the expectations and are generally maintaining drinking water supply systems all across the state without many problems. We are on the threshold of a similar shift in responsibility regarding electricity supply and we should not hesitate in this regard.

6.11. Task 11:

Putting in place a system that facilitates borrowing of funds by PRIs:

6.111. The final issue that completes any arrangements for fiscal decentralization is to facilitate borrowing of funds for developmental works and projects by PRIs. This is a concept frequently discussed and has even been legally enabled, but is rarely used. This is especially required for a number of reasons. First, governmental spending at the local level still remains a prime fuel for propelling rural economies. Second, there is a crying need to develop PRI lands and other assets for improving the quality of life in rural areas. Third, the drive towards greater private participation is relentless and PRIs cannot be insulated from such reform. However, there are two impediments that have come in the way of operationalising such a system of borrowing by PRIs. First, is the lack of awareness about the potential that such methods of raising funds holds, not only in PRIs but also in the government system. Second, is the feeling that PRIs will be profligate and ultimately, the government will have to bail them out.

6.112. However, the fact remains that even if the legal enabling measures are in place, much more needs to be done in order to create a facilitating environment for PRI bodies to borrow funds from the open market. There are ways by which these impediments can be overcome in putting in place a system that enables borrowing by PRIs. We suggest that first, in order to allay fears about irresponsible spending, a non-negotiable condition can be that lending will not be supported by a Government guarantee except in extraordinary cases and fully in compliance with legislations that place limits of government guarantees. Second, there is a need to raise capacity within PRIs to deal with the complexities of the process of borrowing funds. Third, the government should itself upgrade its capacity to facilitate. An excellent starting point would be for the Government to undertake third-party credit rating of PRIs, taking up such an exercise in selected Grama Panchayats on an experimental basis. However, we caution that the credit rating system should not become another institutionalized bureaucratic maze, under which Grama Panchayats are rated and graded unilaterally by the Government. Rating should be a participative exercise and invariably done by third parties. Rating should be resorted to only when there is a desire to borrow for a clearly identified project.

6.113. Commercially viable borrowing constitutes a significant corpus of untied funds that can be used in multifarious ways, which plan schemes and programmes may not permit. The concept of borrowing funds for works also leads automatically to developing

a cost benefit attitude towards works undertaken in Grama Panchayats. It enables Grama Panchayats to arrive at a fine balance between conventional “development” and commercial development that acts as a hedge against inflation and gives them steady incomes. One issue that may come up in this connection is the possibility of cross subsidization as a means to ensure the required cash flows to assure repayment. We believe that in the context of putting up projects through borrowing, the government should not come in the way of cross subsidization systems that are developed locally. Cross subsidization would be a necessary strategy by which Grama Panchayats can encourage local contribution, which in turn ensures repayment. Cross subsidization is easier accepted at the local level because the source taxed and the benefit subsidized are in close proximity and visible to all interested parties.

6.12. Task 12:

Optimising the use of the Rural Infrastructure Development Fund (RIDF) of the NABARD:

Tied up with the borrowing of funds, is the availability of the NABARD’s Rural Infrastructure Development Fund (RIDF). Of late, borrowing from the fund has become even more attractive, with the interest rates being lowered to 8.5 percent. So far, the state has been using the RIDF largely for roads. (Interestingly, the RIDF borrowing on this account have been administered as part of the state sector plan, even though they are meant for the improvement of rural roads. We have discussed the rationalisation of funding for roads in the chapter on Activity Mapping). Recently, the credit available under RIDF has been utilized for school and anganwadi buildings too. The availability of RIDF Funds could provide an excellent learning ground for direct borrowing by PRIs. The willingness of the NABARD to make available funding for innovative approaches to development, the attractiveness of the low rate of interest is too good an opportunity to miss. We suggest that the government should handhold selected PRIs through a process of borrowing funds for local development, focusing on the use of the RIDF funds.

6.13. Government and PRIs; A donor – donee relationship?

6.131. This concept was discussed by the Expert Committee on Karnataka Panchayat Raj Act 1993 in its report of March 1996, in the context of freeing the relationship between the Government and PRIs from a “*policing relationship which is antithetical to the PRO concept.*”, while still ensuring that various development programmes and works undertaken by PRIs conform to the guidelines and standards set down. To some extent, the government’s concern that programmes are implemented to serve the people better would be achieved by the systems of downward accountability that we propose to put in place. However, the Expert Committee felt (not unanimously, though, with one member giving a dissenting view) that the solution lay in developing the relationship between the Government and the PRI at the very inception of the grant around a framework of conditionalities, which also include monitoring and evaluation. A far-reaching view expressed in the report is quoted below:

"Since the Government now stands as a major contributor to PRI funds, it seems appropriate to adopt both the language and methodology of monitoring and evaluation systems in the modern development context, rather than the outdated notions of inspection and supervision. In course of time, PRIs will, doubtless, attract other donor funds which will be subjected to the same norms of accountability."

6.132. We believe that now, six years later, this concept merits serious consideration. The system has since 1996 opened itself to a larger spectrum of innovative practices with respect to the implementation arrangements for schemes. Most of these practices center around local participation and capacity building, outside evaluation and mid course correction, if found necessary. We have built on this concept when we described the building up of responsibilities around a system of MOUs rather than decreed by some inflexible scheme guideline. We suggest that the same methodology could be adopted with respect to the Governmental schemes left in the state sector for one or the other reason, which can then be implemented by PRIs as an agent of the former.

CHAPTER 7

ADMINISTRATIVE DECENTRALISATION FOR EFFECTIVE FUNCTIONING

7.1. Introduction:

The issue of administrative decentralisation seems to us to be a can of worms. When it comes to defining the role of officials in the decentralized set up, everybody has strongly held views. While considering this issue, officials are often not objective in their reasoning, their views being coloured by what they consider could be the possible outcomes of any suggested reform on their own careers. In this chapter we look at the issue of giving greater administrative powers to PRIs as also how these powers can be utilized to better manage the institutions and assets that are assigned to them. We have focused on specific areas that form the bedrock of the design for greater administrative decentralization, with a view to enabling PRIs to undertake their activities smoothly and effectively.

7.2. The staffing problem: can PRIs have their own staff ?

7.21. As far back as 1987 when steps were taken to establish a two-tier PRI setup, the issue of their staffing presented a tricky problem. Logic dictated that in case local decentralised institutions were to function effectively, they should ultimately be vested with wide ranging powers to recruit their staff and exercise control over them. However on the other hand, government itself had a large number of staff that would have been rendered unemployed in case local bodies were given full powers to recruit their own cadres of officials. Purely as an interim measure, it was then decided that all PRI posts, barring those at lower levels, would essentially be filled up through deputation of government employees to them. This resulted in an uneasy relationship between officials and elected representatives, inasmuch as while the official did work under the superintendence and control of the local body, he did not belong to a local cadre and always retained the option to revert to his original cadre. These arrangements were intended to be transitional, but were never changed. Consequently, even after fourteen years of decentralization, officers still feel that they are answerable to their departmental hierarchy even if decision-making is with the PRIs. We have now lived with this uneasy and ambiguous relationship for far too long. This position will have to be changed through legislative and administrative measures so as to ensure that officials working at Grama Panchayat level are responsible and answerable to the body. PRIs will have to be given control over staff working in their jurisdiction so that they can function effectively, execute schemes and are accountable locally.

7.22. Unfortunately, it is not easy to find lasting solutions without tackling the issue of how to manage the transition. Final solutions are also likely to meet with resistance as the two groups that matter, namely, the elected representatives of PRIs and the officials who work under them, harbour persistent misgivings about each other. Elected representatives argue that unless they are given full powers of superintendence and control over PRI staff, they cannot be expected to perform to their full potential. On the other hand, officials are gripped by the fear that elected PRI representatives are liable to misuse their powers in case they are given full powers of superintendence and control, without checks and balances. Officials fear that their objectivity and impartiality in the performance of their duties could be under serious threat in case full powers for supervision and control are given to PRI bodies, which are often rift by political divisions. While there could be some truth in the latter argument, we believe that these fears essentially arise from deep-rooted mindsets that refuse to go away. It is illogical for officials to accept on the one hand that as civil servants they are accountable to the State legislature, which is also an elected representative body, but then express misgivings about coming under the control of elected representatives at the PRI level.

7.23. While it is true that there have been examples of disharmony between PRI representatives and officials but often such examples are bad, exaggerated and misunderstood as being the norm. We believe that there is no logic in any opposition to the fundamental concept that if PRIs are to function more effectively, they ought to have full control and supervision over their staff.

7.3. Task 1:

Doing away with a system of deputations:

The deputation of staff to PRIs, with which we have lived for the past fifteen years of decentralization is an imperfect substitute to giving PRIs complete control over staff assigned to them. Such solutions were intended to be an interim one, but have been continued with no end in sight, because dual control is often seen as meaning no control. In this context it is absolutely necessary to examine the feasibility of getting all PRI staff requirements from Government departments on permanent secondment or absorption basis as an immediate short-term measure.

7.4. Task 2:

Converging of cadres and lateral movement of staff:

7.41. We must not fall into the common trap of dealing with government departments as self-contained compartments. The compartmentalization of Government is necessary only to the extent required to undertake specialized departmental responsibilities, if any. In this regard, we would like to dwell on the excellent recommendation of the ARC regarding facilitating cross-departmental movement of staff. This is particularly relevant in the PRI context. PRIs handle a large number of departments, but because of the system of having all staff on deputation, they are unable to make even the slightest local adjustment to suit circumstances. This is a major factor in the serious skewedness in local staffing. Thus while there are shortage of staff in one department at the field level, other

departments are grossly overstaffed, often with the same kind of general purpose staff that could be moved around to great advantage to understaffed departments. We strongly recommend that as an interim measure to the decentralization of recruitment, PRIs should be permitted to undertake inter-departmental movements so as to address local problems of shortage.

7.42. We have attempted to lay down a framework that could become the conceptual basis for allowing lateral movement. Different levels of government lend themselves differently to such convergence, as detailed in the table below:

Level	Work description	Propensity for convergence
Group D	General purpose staff	Capable of convergence between departments. Recruitments could be general purpose and these persons should be capable of being redeployed between departments, but only within the district
Group C ministerial	General purpose staff	Capable of convergence between departments. Recruitments could be general purpose and these persons should be capable of being redeployed between departments, but only within the district
Junior Technical Staff	Specific Purpose staff	Technical staff at the operational level will have to be recruited in a department specific manner. This will allow their utilization to address department technical priorities
Senior Technical Staff	Specific Purpose staff	These persons could either rise from the junior technical staff or be directly recruited in a department specific manner. However, these persons are also capable of climbing to occupy largely administrative positions within the department
Policy making staff	General Purpose	When persons have gained enough experience at the departmental level, they graduate further to the position of becoming policy makers, where again there is convergence between departments,

As can be seen, except for the Technical levels of staff, convergence is easily possible. Even in the case of specialized cadres, cross-fertilization, if possible, must be encouraged. The policy making level does not exist in great numbers at the decentralized administration level; so the issue of convergence at that level is largely not relevant in the PRI context. However, the applicability of the convergence principle to the Group 'D' and the Group 'C' ministerial levels would be of great benefit at the PRI level. Appropriate mechanisms should be put into place at the earliest to ensure that such convergence and cross-departmental movement is possible.

7.5. Task 3:**Moving towards a system of decentralised recruitment and local cadres:**

7.51. The logical extension of decentralisation would be that recruitment of staff to PRIs should also be done at the local level. However, putting in place a system of decentralized recruitment is fraught with legal issues, not the least of which is that of managing the transition from centralized to decentralised recruitment. The Administrative Reforms Commission (ARC) has made several valuable suggestions including right sizing of departments and allowing departmental staff to move from one department where there is surplus to another department where there is shortage. These suggestions if implemented expeditiously, will help greatly in tackling local anomalies and shortages during the transitional period. We would draw attention to this important suggestion while discussing several issues in this chapter. While the ARC has better examined these larger issues, we believe that if administration has to be effectively decentralised, there must be a clear move towards district level recruitments and district level cadres.

7.52. The issue of decentralized recruitment into local cadres has its detractors. A common fear expressed is that objectivity suffers through local recruitment. It is feared that district level cadres may suffer from too much proximity with local politicians, and imbibe the local social ethos to the extent that it hinders their objectivity. While this may be true to an extent, there are limitations in always recruiting staff from outside the district. First, this often does not really work in practice. There is an increasing tendency amongst staff, even if recruited on a statewide basis, to gravitate towards their home districts, often by bringing political pressure to bear. We believe that in the overall analysis, decentralized recruitment is appropriate for the effective running of PRIs and the fear of a lack of objectivity is overstated. The general comfort that a person experiences while working close to familiar surroundings is likely to create the necessary well being required for a person to become an effective official.

7.53. A more valid fear is that decentralized recruitment into local cadres limits exposure and thereby restricts the possibility of enriching experience elsewhere. In order to tackle this, we suggest that local cadres ought to be loosely 'federated', so that arrangements can be made for staff to be exchanged through a process of deputations, thus ensuring that staff gets opportunities to appreciate newer ideas and also learn from new experiences. We also suggest that while creating local cadres, a system of transfers that ensure a prescribed mandatory level of cross-district experience should be introduced.

7.54. A major issue concerning having district level recruitments and cadres is that since these cadres are smaller, opportunities of growth through promotions tend to be restricted. In decentralized governance systems worldwide where government employment does not have the aura of permanence that it has in India, such restriction of growth within the system is of not much consequence; those who outgrow the system leave and move on. However, in India, government service is still seen as a permanent

occupation – those who join government almost certainly stay with it till retirement. While designing our system of local cadres, we must ensure that opportunities are provided for the good to rise to higher levels. Doing so through time bound and routine promotions is however an outdated system and reduces the incentive to perform well.

7.55. What we envisage is a system that allows stars to rise, provided that they do so through adherence to excellence. The idea would be to have an independent board that works in a similar manner as the Public Enterprises Recruitment Board of the Government of India. We recommend that above certain levels, posts can be reserved only for direct recruitment, with the option for those within or outside the government to apply for recruitment. Such a system would allow those with the necessary ability currently occupying a lower level in the hierarchy, to climb faster. Such a system will also expose in-house staff to the pressure of competition with outsiders for higher jobs on a sustained basis.

7.6. The PRI Adhyaksha:

7.61. The position of Adhyakshas of PRIs at all levels is one that is most misunderstood, either deliberately or unwittingly. This is in spite of the law, which has made the position clear beyond doubt. Under the PRI Act 1993, The ZP and the TP Adhyakshas are expressly described as the executive head of the ZP and TP respectively, while this is not the case with respect to the Grama Panchayat (a position that we have proposed should be amended). A description of the powers and duties of the Adhyaksha at all PRI tiers levels clearly envisages that the task of being an Adhyaksha is a full time commitment for the incumbent. Much has been already written and legislated upon regarding the relationship between the Adhyaksha and the CEO of the various tiers of PRIs. Suffice to say that the relationship between the Adhyaksha and the CEO is not one of the Chairperson with the Managing director of a company, but is that which exists between a CMD and a General Manager. This analogy requires some elaboration. The Adhyaksha functions as the Chairperson, because it is she who has been vested with the powers to call for meetings. She is also the Managing Director, not only because the law expressly declares her to be so, but also because she is responsible to the body in a manner that the CEO can never be; if the body loses confidence in her, she can be removed through a vote of no confidence. She is thus responsible to the elected body in the same fashion as a MD would be responsible to the Board of directors of a company, who act on behalf of the shareholders at large. On the other hand, the CEO is a professional. Even though he may not be recruited by the PRI, he functions as an employee of the local body. He is thus akin to the General Manager of the PRI. He does not have a 'shareholder stake', in the same fashion as does the Adhyaksha.

7.62. Having clarified the position of the Adhyaksha, we would like to emphasise that even in matters of detail, nothing has been left to chance. Thus under the *Karnataka Zilla Panchayat (business) Rules, 1998*, it is the ZP Adhyaksha who shall be responsible for ensuring the proper conduct of the business of the Zilla Panchayat in accordance with the provisions of the Act and any regulations framed in this behalf (Rule 6). Under rule 7, the

Adhyaksha may call for files from any department of the Zilla Panchayat and express his views and tender advice on any matter and all such files shall be submitted to him by the Chief Executive Officer with his opinion or remarks wherever necessary. Under rule 10, copies of communications received from Government or a Court of Law other than those of a routine nature and report of calamities of unusual happenings shall immediately be submitted to the Adhyaksha for information. Identical provisions are found in respect of the Taluk Panchayat Adhyaksha in the *Karnataka Taluk Panchayat (business) Rules, 1999*. Under the *Karnataka Panchayat Raj (correspondence) Rules, 1994* it is the Adhyaksha at all PRI tiers who shall ordinarily sign all the communications. The Secretary or the executive officer of the concerned PRI is to sign routine communications and such other communications as may be authorized by the Adhyaksha. However, no other rules are violated with such impunity as those that give the Adhyaksha primacy of position. The fact that protests do not arise is no saving grace. One of the reasons is that the Adhyakshas themselves are hardly permanent, since they occupy their positions for as less as twenty months. (this issue is discussed elsewhere in this report). We strongly suggest that the government and indeed the entire bureaucracy, should ensure full compliance with the existing Act and rules.

7.63. Task 4:

Freeing PRI office bearers and members from the web of restrictive administrative instructions:

Over time, there has been an insidious growth of instructions that have progressively restricted the independence of elected PRI office-bearers and members. These restrictions have no sanction under the law, but are merely administrative in nature. Some of these border on the unreasonable and absurd, such as restrictions on travel outside the district, (Under the existing rules, Adhyakshas and Upadhyakshas of ZPs are to take prior permission from the Government if they have to travel outside their districts on official work), restrictions on consumption of fuel, telephones etc. Even granting that these instructions have been issued in the interest of economy, some of them are still unthinkingly enforced in spite of having become obsolete. For instance, restrictions on the use of mobile phones is false economy, in the light of the fact that mobile calls have become progressively cheaper, with even outstation calls on a mobile phone having becoming cheaper than conventional STD calls. Such instructions are demeaning and their very existence undermines PRIs, their office bearers and members. We strongly suggest that these instructions should be withdrawn forthwith and replaced with a flexible system of locally voted limits on expenditure that are made transparently applicable. The system that we envisage would again draw from corporate law and practice. Companies are free to decide on expenditure levels of their MDs, on the condition that such expenditure has to be disclosed in the annual report sheet. Similarly, we can have a system where the local body itself can vote on the essential expenditure limits given to office bearers and members, provided that the expenditure incurred on this behalf is disclosed in the Annual Report.

7.7. The CEO of the Zilla Panchayat:

7.71. In previous chapters we described the extent to which decentralization would empower PRIs. However, the success of our suggested initiatives would vitally depend on the officials that guide and advise PRIs in using these extensive powers. The position of the ZP CEO is critical in this regard. We expect the CEO to be the main facilitator for government initiatives to decentralize. There are several reasons why this role can be assigned to him; mainly, apart from playing the role of the ZP's Secretary, the CEO also exercises administrative control over the administration that supports other PRI tiers. While such control may gradually diminish when PRIs stabilise in performing the new range of duties and responsibilities entrusted to them, in the transitional phase the CEO will have to play a crucial role. The CEO also shoulders the additional responsibility of being the ex-officio secretary of the District Planning Committee and this catapults him to a different level of leadership. The CEO will participate in all planning decisions of the DPC, which will also include considering district level urban plans. CEOs will thus need to be individuals with maturity, with the right kind of attitude towards ensuring the success of decentralisation. In assuming the mantle of leadership and ensuring the success of decentralization, CEOs will have to have much higher skill levels and will have to earn the respect of elected representatives and officials at all tiers.

7.72. Government's stand on the position of CEO has had a history of change. Prior to Karnataka's extensive decentralisation initiative in 1987 through the establishment of Zilla Parishads and Mandal Panchayats, the CEO's position and status was a subject of great debate. The government decided that the CEO would have to be sufficiently qualified and senior if he were to serve decentralization effectively. Accordingly, the CEO's post was encadred under the Indian Administrative Service and under a far reaching policy, IAS officers senior to the Deputy Commissioner were posted as "Chief Secretaries" of Zilla Parishads. Both the seniority and the nomenclature were not without meaning; they were to assert that the CEO was the head of the district administration; as he served the elected body that was supreme in the district. When the terms of the first Zilla Parishads ended in January 1991, this position underwent a change that sent an equally un-subtle message. Transfers were made to ensure that Deputy Commissioners were senior to the CEO and the DC was made the administrator of the ZPs. Since then, the position has worsened gradually. Semantics and names apart, the gap between the CEO and the DC has become wider and for a bureaucracy that is hierarchy and seniority driven, these are significant determinants of the power structure within the district administration. Most distressingly, devaluing the CEO's post has reinforced the bureaucratic tendency to devalue PRIs themselves. For one thing, since the position of the DC as head of the district administration has been restored, there has been a growing tendency for departments to seek removal of their activities from PRIs and the CEO's supervision to being directly administered through the DC. In addition, departments have tended to use DCs in preference to the CEO to review and take local decisions on their state sector schemes. The DC now oversees several programmes that do not fall within his administrative ambit, but are assigned to him simply because he happens to be the normative head of the district. The incongruity of the situation is accentuated by the fact that the DC, having no implementing machinery of his own, uses the departments

working under the ZP to implement such schemes. This is how schemes such as the MPs local area fund, drought relief, etc. are now handled. The growth of such departmental entrustment has resulted in an illogical and confusing welter of schemes and implementation strategies. We believe that these tendencies are evidences of a greater problem, that departments and bureaucracies are uncomfortable with subordination to a local body. Such misgivings can be greatly assuaged if the CEO's position as head of the district administration is restored.

7.73. Task 5:

Re-establishing the primacy of the CEO in the Administrative hierarchy of the District:

For decentralisation to succeed, there has to be a conscious reversion to the earlier position of the CEO being senior to the DC. However, this is easier said than done. The encadrement of the CEO's post has been relaxed, to allow the post to be filled up by KAS officers. A main reason, but not the only one, is that there has been a decline in the yearly number of officers assigned to the IAS over the last decade. However, the shortage of IAS CEOs is exacerbated by the growing tendency to post IAS officers who have the appropriate seniority for being posted as CEOs to secretariat and desk jobs when they could be better utilized in field postings. This is a distressing tendency and should be curbed.

7.74. Task 6:

Looking beyond the IAS for CEOs:

Even if IAS officers were posted as CEOs, over time the decline in recruitments will restrict their availability. At that stage, perhaps the currently unthinkable may need to be considered – there may not be enough IAS officers to fill the 54 posts of Deputy Commissioner and the Chief Executive Officer. Since this is a larger and long-term issue, apart from flagging it, we do not wish to comment on this. We suggest three ways of dealing with this in the short term. First, we could examine the possibility of posting senior officers of the Indian Forest Service as CEOs. These officers also belong to another all India Service cadre in the State, and have rich field experience. Second, we could look at posting senior officers of the level of Additional Director from other departments. We have discussed the aspect of convergence at the policy making level elsewhere in this chapter, and posting of such officials as CEOs would be a good way of operating this concept. The third possibility is already being operated, namely, turning the spotlight on posting KAS officers of sufficient seniority to ZPs as CEOs. In this context we would like to point out a major shortcoming in career development of KAS officers, namely, a much lower access to regular high quality training as compared to IAS Officers. The importance of training cannot be overemphasized, particularly in the context of decentralisation. Apart from the obvious benefits of training at good academic and mid career management institutions, while on training, officers have time to reflect on their work away from the immediacies of an assignment and enrich their experience by interacting informally with peers from different parts of the country and even abroad. In the case of IAS officers, such training is available in two forms, first, there is

compulsory training organized by the Government of India's department of personnel at predetermined intervals. Second, IAS officers can opt for additional training at identified renowned institutions at Government cost. However, KAS officers do not have access to such opportunities. In the case of KAS officers, each proposal for training is examined in isolation and peculiarly enough, not by the DPAR that ought to do it, but by the personnel section of finance department, which often examines such proposals only from the point of view of expenditure. This is unconscionable and should be rectified.

7.75. Task 7:

Ensuring smooth coordination between departments:

In a well functioning decentralized set-up, there will have to be a high degree of coordination between various departments so as to ensure effective convergence of government activities at the concerned PRI level. Some recent developmental initiatives such as watershed development critically depend on close inter-departmental coordination. However, such convergence is often hard to engineer at the district level, mainly because departments still work in isolation. While in Karnataka the practice of line departments dealing with subjects transferred to PRIs answering to the local Zilla Panchayat through the CEO has been well established, the problem of inter-departmental coordination still continues. Some departments, not finding good interdepartmental coordination in their search for an integrated approach, have created their own convergent systems. A good example is the watershed department, which has in-house agriculture, forest, horticulture and soil conservation staff, who work as a team to implement programmes assigned to the watershed department. However, duplication of skill is running away from the problem and not a solution to the issue of coordination and convergence. We suggest that patterns of convergence ought to follow the scheme rationalization model described in the chapter on decentralized planning; which speaks of two strategies, classifying schemes according to their outcomes and creating untied funds that can be used subject to broad sectoral reservations. Simply put, departments will converge around scheme related and untied fund outcomes. The exact mechanism for such coordination should be left for the ZP and the CEO to decide. Broadly, the system could revolve around Standing Committees of the ZP and Coordinating Committees consisting of representatives of departments that address the same outcomes under the chairmanship of the CEO.

7.76. Task 8:

Ensuring responsibility to the Elected Body:

This is a concept that should be introduced into relationships between the CEO of any PRI and the elected representatives at that level. It must be made clear in the law that the CEO is responsible not to the Adhyaksha, but to the Elected Body. This would reduce the possibility of any subjectivity or personal differences affecting the relationship between the CEO and the Elected Body. The Elected Body would certainly be expected to act with the maturity and moderation that individuals acting alone may not be able to show. We have suggested appropriate amendments in the law

7.8. Performance Appraisal and Disciplinary systems in a decentralized set-up:

7.81. The area of performance appraisal and discipline has also been an aspect of PRI reform on which there are strongly held divergent views. Consequently, it is not surprising that over the fourteen years of Karnataka's experience with decentralization, we have seen policy flop-flops on this issue. The issue of who ought to write the confidential reports, which forms the only means of performance appraisal of officials, is one that has taken an about turn. A persistent viewpoint especially of those who lead PRIs, is that they do not have control over the staff deputed to PRIs because they have no hand in their performance appraisal.

7.82. Task 9:

Ensuring that Performance Appraisal is done by the appropriate PRI:

Dispassionately considered, performance appraisal should be logically done by that authority which exercises control over the concerned official's work and gives directions for implementation. By that yardstick, PRIs ought to undertake the performance appraisal of the officers working under it. However, logic has not reigned supreme in this regard. CRs are still written by departmental superiors for officials attached to PRIs on deputation; the fact that the latter are on deputation to PRIs has itself become an unstated justification for CRs to be written by the former, instead of PRIs. This justification is fallacious because it is inconsistently applied. Pure and simple; when a person is sent on deputation from one department to another, it is the accepting department that does his performance appraisal, in application of the logic that the user appraises work. There is no reason why this logic cannot apply only in the case of PRIs.

7.73. Having established the logic behind why PRIs ought to write the CRs of officials posted to it, we would like focus our attention on the fears of officials who are posted to PRIs regarding such arrangements, which often remain unspoken. Officials fear that PRIs, being political bodies, do not have the capacity to write performance appraisal reports in an objective fashion. They fear that using the threat of adverse CRs, the PRIs with which they work could pressurise them to take dubious actions. First, we believe that such fears are over stated. The process of writing of appraisal reports is not without inherent safeguards. The report itself is moderated by the review officer and accepting officer. In addition, a person who is given an adverse report has a right to appeal and such adverse statements can be expunged if they are found unjustified.

7.84. Task 10:

Bringing in additional safeguards into performance appraisal:

Second, if these are not enough, certain further safeguards can always be brought into position to minimize the possibilities of such fears. One possibility is to bring in the

concept of joint initiation of the report – providing space for the Chief Executive and the Adhyaksha of the concerned PRI to jointly initiate writing the CRs. The concept of joint initiators can be applied uniformly at the district, taluk and Grama Panchayat level for officials who work at these levels. However, one question would still remain; who will write the CR of the Chief Executive? We believe that there is no other method other than to accept that the Adhyaksha should write the report. It may be recalled that under the dispensation that prevailed from 1987 to 1992, it was the Zilla Parishad Adhyaksha who used to write the CR of the ZP CEO. No feathers were ruffled, even though then too, not always did the elected body and the officials see eye to eye. If there are still some fears that performance appraisals could be biased, then one could additionally introduce a system by which the concerned PRI body could collectively consider what ought to be written in the CEO's CR and authorise the Adhyaksha to do so. This would be a natural application of the principle that we have propounded in this chapter, that the CEO is responsible to the PRI body under which he works and not to any particular individual such as the Adhyaksha, who only acts only as an agent of the body.

7.85. One also needs to examine the relevance of the current system of performance appraisal in the context of the imminent reduction in the number of government staff. In most reform strategies for the improvement of governance that have emerged in the last decade, there has been a consistent focus on downsizing the numbers of Government staff. The report of the Administrative Reforms Commission has also emphasised this. However, so far the concrete steps taken in this direction have been the easy ones, such as restricting recruitment and abolishing a large proportion of already vacant posts so as to prevent the possibility of filling them up in the future. From these relatively soft steps, we have recently moved to more proactive suggestions for downsizing, such as voluntary retirement. However Governments still hesitate to speak of a more decentralised and system of staff recruitment, with staff having greater accountability and lesser chance of assured job security. We have earlier suggested a system of decentralised recruitment into loosely 'federated' self-contained local cadres, where climbing from one level to another cannot be taken for granted and will be through a process of independent direct recruitment at each level. Under such circumstances since each climb would be on the basis of direct recruitment, the importance of performance appraisal as a criterion on the basis of which automatic promotions are given, will diminish.

7.86. What we are saying is not empty theory, as in the face of shrinking recruitment and swelling retirement, there is likely to be a drastic reduction in the number of government staff. We are witnessing a demographic shift in government officials. Once the staff strength reaches the appropriate level required to maintain re-engineered internal processes of government, the next wave of recruitment processes would conceivably be re-started. In the Panchayat Raj context, that would be the appropriate time to do away with the concept of permanency of government services and hierarchical growth within them, to a system of 'federated' cadres. If that happens, the importance of performance appraisal as influencing career growth would recede. Performance appraisal would then have only a restricted relevance in influencing the limited opportunities for promotion within a particular federated cadre.

7.9. Decentralising Technical Guidance:

7.91. With greater decentralisation and devolution of functions and responsibilities to PRIs, one would expect that there would be fundamental changes in departmental processes to better empower local officials to deal with local needs. Paradoxically, departmental processes and hierarchies have not changed much as a result of decentralization in Karnataka. In spite of long experience with decentralised systems that have transferred departments and schemes to the PRI fold, many departments still work within systems that rely on hierarchical technical guidance from within the department and are guided by rigid, well-documented rules that have stood the test of time. A good instance is the Public Works Department (PWD). Even when the PWD was bifurcated into a ZP Engineering sector and a State sector and subsequently the ZP Engineering department and the Public Health Engineering Department (PHED) were merged to form the Rural Department Engineering Division (RDED), manuals that provide for a hierarchical system of examination of estimates have remained unchanged.

7.92. We need to seriously consider whether current departmental manuals of instruction serve the cause of decentralization. Systems of hierarchical examination of estimates date back to pre-independence practices and have been retained for the better part of 50 years as they served centralized administration systems that relied largely on directed growth. However these systems have outgrown their relevance and not kept pace with technology, communication and growth of administrative capacity. Consequently, such systems are often archaic. Identifying levels of approval is based on artificial distinctions that no more have any relevance. An example is the current system of classifying estimates as requiring technical scrutiny at various levels in the hierarchy – the criterion used is not technical complexity, but financial outlay; which contradicts the very concept of technical scrutiny. The second is the tendency to prescribe uniform schedules of rates on the basis of criteria that are not made transparent. While such schedules are supposed to reflect comparable market costs they are often hiked without sufficient rationale, on the basis of straight-line calculations. Do we need such a system when we have envisaged greater downward accountability? When one speaks of greater transparency in decentralised administration, it predicates a corresponding transparency and simplification of internal processes; which need to be clear enough for local people's representatives to understand. We believe that government should take a long-term view and allow for a greater transparency to aid PRIs to undertake their works, instead of totally relying on monolithic government departments. We suggest two ways of reworking such systems to make them relevant to our current strategies of decentralization. Both these tasks should be pursued concurrently.

7.93. Task 11:

Rewriting technical scrutiny rules to make them more transparent and simple:

7.931. We need to re-examine all technical codes starting with the PWD code with a view to making them better serve decentralization. These rules should do more than

merely prescribing financial limits determining what needs to move upward for technical scrutiny and allow for greater transparency and leeway at the local level for estimating costs and executing works.

7.932. A critical issue in this connection would be the tailoring of technical codes to situations where projects are taken up with greater participation and involvement of the people and civil society groups. The strategy of involving the local people to a larger extent in order to accelerate local development is gaining wide acceptance. Though such strategies have first been adopted by several multilateral institution aided projects, they have also found expression in state and centrally funded programmes such as the Swasthi programme of the state government (a programme on rural sanitation with NGO assistance) and the sectoral reforms project (a programme on demand based augmentation on drinking water supply). We are now passing through a transitional phase where project designs increasingly envisage a large degree of transparency and people's contribution and participation, but technical codes and manuals still operate in the same top down, hierarchical manner. The sooner this confusion ends the better it is for the people. The fundamental principle that we would like to stress is that because people are going to contribute in greater proportion to such projects, they must be given the right to decide what should be done, how to do it and at what cost. While technical manuals will have to be re-written with this underlying principle in mind, it is not as if these ideas have to be re-invented. In existing projects built around community participation, operational norms have already been developed around the concept of marrying technical correctness and compliance to standards, with greater local flexibility in choice of technology and use of locally available material. The bottom line of such an approach is the efficiency gained by de-bureaucratisation, which leads to faster implementation. This in turn would restore the credibility of government programmes amongst the people, leading to increasing people's enthusiasm and participation.

7.94. Task 12:

De-monopolising the availability of technical guidance:

7.941. The trend towards having a greater choice of institutions to execute works at the local level has already gathered steam. The monopoly that the PWD had over providing technical assistance began to be diluted by the emergence of the Land Army Corporation. Further erosion of the PWD's monopoly has occurred through the emergence of Nirmithi Kendras as effective institutions taking up construction of rural houses and other small works. However, this has not resulted in complete demonopolisation – it has merely created an oligopoly of several agencies that are entrusted works, but who still consider the schedule of rates as being supreme. Towards providing a greater impetus to demonopolisation, we have provided in the law for Grama Panchayats to have the option to obtain the services of qualified technical personnel to undertake their works.

7.942. We are aware that our suggestion may be met with great apprehension by those departments whose monopolies will now be threatened. However, this is in keeping with our entire blueprint for decentralisation, existing tasks will have to undergo far-reaching change. However, by no yardstick will technical departments fade away – they will now

perform the enriching role of facilitators and evaluators, rather than as controllers and directors. Technical guidance to the extent necessary will always be available from higher levels though their monopoly character will be open to question.

7.10. Administrative Strengthening of Grama Panchayats:

7.101. A cornerstone of the new decentralized system that we envisage is the greater devolution of powers and responsibilities to Grama Panchayats from the two tiers above them. This is but a natural consequence of the process of devolution, namely, that what can be done at a particular level ought to be done at that level alone. With improvements in communication and technology that make certain things that were unable to be delivered at the village level now capable of being delivered at that level, we can logically expect that a greater range of responsibilities will be endowed to Grama Panchayats.

7.102. There is yet another reason for supporting the general trend of entrusting the Grama Panchayat with greater responsibilities. Over the years sustained effort, usually orchestrated at the ZP and the Taluk level, has resulted in the development of considerable infrastructure in each sector, be it health, education or water supply. Perhaps in the near future, we may be in the happy position of having largely achieved accepted norms of levels of physical infrastructure. However, by no yardstick would we have achieved satisfactory levels of service provision. Providing acceptable levels of services necessitates a high level of soft investments, which even if they may not be as large in financial terms, requires a high degree of continuous management and improvement. Maintaining the quality of government enabled services require greater thought to go into institutional design, the like of which can be provided only by putting in place good systems of downward accountability. This is best done at the Grama Panchayat level, where the proximity to the voter is the closest. It is therefore absolutely necessary to strengthen the Grama Panchayat so that it can handle these responsibilities better. A significant step in this direction would be to enable Grama Panchayats to disburse salaries for staff working in their Grama Panchayat jurisdiction. We have already elaborated on this aspect in the chapter on Fiscal Decentralisation. Another significant step would be to give the responsibility of monitoring attendance of such staff to the Grama Panchayat.

7.11. Task 13:

Giving powers to the Grama Panchayat to monitor Attendance of essential staff:

While in the ultimate analysis, all officials in the rural sector work in some or the other Grama Panchayat jurisdiction, there are some field level functionaries whose work touches the lives of almost every person in the village more than the rest. Those that come to mind are the Teacher, the Doctor, the ANM, the Anganwadi Worker, the Agricultural Assistant and the Veterinary Doctor. These functionaries are absolutely vital

for the lives of rural people, and yet, they do not work under the administrative control of the Grama Panchayat, as they must. Perhaps one of the most universal complaints that Village people have against Government functionaries is their lack of availability. Speak to any Grama Panchayat Adhyaksha or member and the greatest frustration that they express, regardless of their social and political affiliations, is the inability to control the attendance of these field level workers. In the long run, with the development of local cadres and decentralized recruitment, the responsibility and control over these posts may rest with the concerned PRI, possibly the Grama Panchayat. However, one cannot wait for such control to gradually be given. We strongly suggest that the Government may issue necessary orders to ensure that the attendance of these critical field level workers should be monitored by Grama Panchayats, regardless of which tier to which they answer. A system by which the salaries due to these persons are also paid through the Grama Panchayats can be put into place. Till such time that such dispersed salary payment systems are brought in, orders may be issued to ensure that these officials need to get attendance certificates issued by the local Grama Panchayat before they can draw their salaries. In case of those officials that who have jurisdictions larger than that of an individual Grama Panchayat, we could have a system where each of the Grama Panchayats that avail of his service monitors attendance on a rotation basis. These Grama Panchayats themselves could work out the modalities of this rotation.

7.12. Task 14:

Posting full time accounts staff to Grama Panchayats:

With greater administrative, planning and fiscal decentralization, the activities taken up at the Grama Panchayat level will increase. We envisage that with the enhanced allocation under the SGRY scheme and the allocation of more untied funds; the outlay of a Grama Panchayat would rapidly double from its average current outlay of around Rs. 7 lakhs. The Grama Panchayat cannot be then run as a single person office. There will be an immediate requirement for a full time staff for taking care of the accounting requirements. This will be especially necessitated by the possibility that progressively the move could be towards disbursing salaries to more and more staff through the Grama Panchayats. We suggest that a plan for immediate deployment of accounts staff from other departments in government should be taken up to meet this requirement.

7.13. Task 15:

Allowing Grama Panchayats to outsource services:

We must consciously eschew the fixation of believing that government must always own the tools of government. We had spoken about the change in ethos of governance itself, of the need for governments to become more entrepreneurial in their working. One step in this direction is to have in place a system where there is a greater leeway for Grama Panchayats to outsource for meeting their needs. Grama Panchayats should also be given greater flexibility to outsource their requirements for technical guidance. We have proposed amendments to the law in order to permit Grama Panchayats to outsource technical services. These would include the use of computer operators, engineers, chartered Accountants etc.

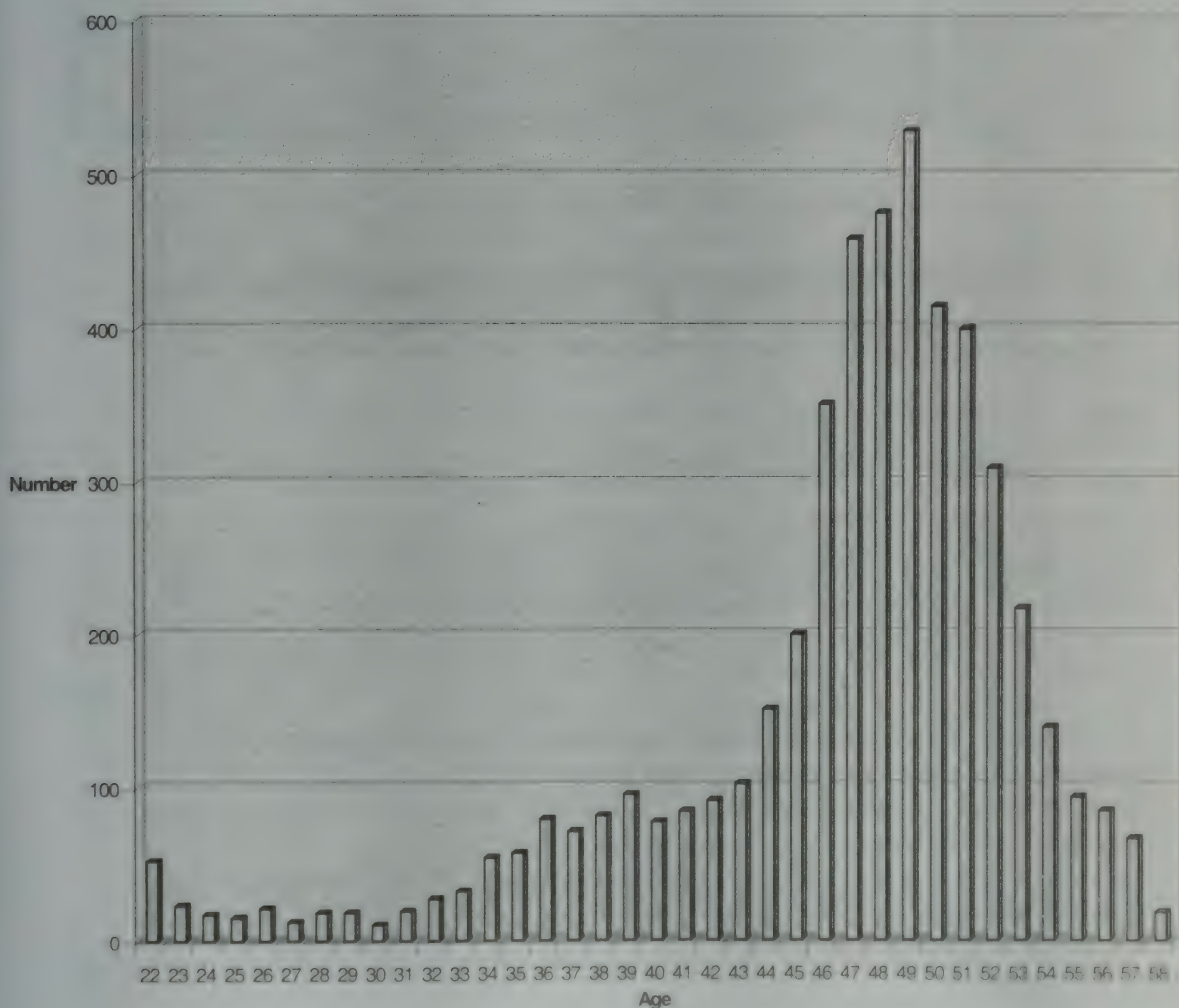
7.14. Grama Panchayat secretaries and their role

7.141. Just as is the case with the CEO and the ZP, the Grama Panchayat Secretary is central to the strengthening to the processes of governance at the Grama Panchayat level. It goes without saying that along with improving the quality of Grama Panchayat staff, all steps must be taken to strengthen the institution of the secretary and put in place mechanisms that make the Secretary more accountable to the elected body and the people. Even with Karnataka's excellent record in decentralization, very little has been done in the past to improve the quality of Grama Panchayat Secretaries. This is perhaps also due to the fact that Karnataka's decentralization model has so far been one of a hierarchical system of tiers, with officials assigned to the higher level supervising and controlling those attached to the lower tiers. In this setup, the post of Grama Panchayat secretary has been held by one assigned a very low level in the government hierarchy, namely, a second division clerk, which is the lowest level of entry level for ministerial staff in the government. A few Panchayats have been designated as Grade 1 Panchayats, and the Grama Panchayat secretary assigned a higher level, namely, that of a first division clerk. However, while these levels may have been adequate for a time when Grama Panchayats had limited budgets and lower levels of expenditure and budgets, they will surely be inadequate for a time when Grama Panchayats will have to undertake more works and assume greater responsibilities, especially with respect to assets handed over to them for maintenance.

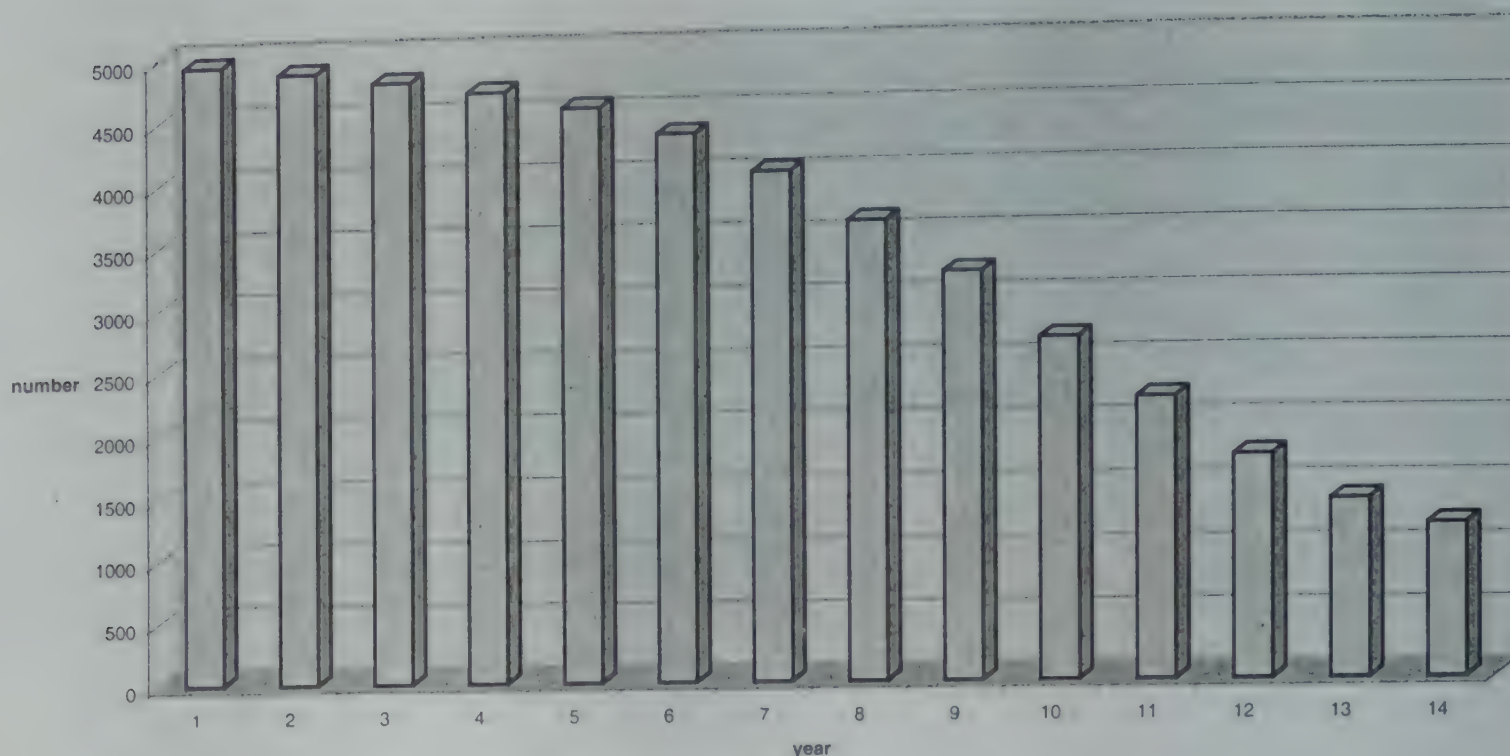
7.142. While the low level of Grama Panchayat secretaries is by itself a cause for concern, this has been further aggravated by the growing low quality of Grama Panchayat Secretaries. The general decision of government not to undertake further recruitments of ministerial staff has meant that vacancies of Grama Panchayat Secretaries caused due to retirement and death have been filled through short term strategies. These strategies have primarily involved the regularization of staff that was recruited in an adhoc manner. The Grama Panchayat Secretary vacancies, being primarily entry-level posts, have become prime targets for such adhoc solutions to the problem of regularizing the service of temporary employees. Thus, Grama Panchayat Secretary posts have been filled through the regularization of stipendiary graduates and daily wage workers. In addition, the law has also permitted for the filling of a certain proportion of posts through the promotion of Grama Panchayat bill collectors and other workers, who are often not qualified for the job. The continued adhocism in recruitment and the general neglect of training, in conjunction with the general lack of accountability to the elected body has resulted in the low quality of staff at the Grama Panchayat, which has stunted the growth of the institution. In a way, government itself has been responsible for the lack of capacity at the Grama Panchayat level, which is often used to deny Grama Panchayats their due in decentralization. The final nail in the coffin of Grama Panchayat secretaries is the fact that feeder processes, even if flawed (such as regularization of daily wage and stipendiary graduate employees) has itself slowed down to a trickle, if not having stopped altogether. This has resulted in a significant greying of Grama Panchayat secretaries. The figure given below analyzing the age profile of Panchayat secretaries (from available data) shows to what extent attrition could decimate the availability of secretaries in future. It

can be seen that the frequency of staff peaks between the ages of 48 to 53. These persons have only between 8 and 10 years of service left and investments in their training will have to be closely examined from the aspect of cost benefit. The impending flood of attrition in the number of existing Grama Panchayat secretaries could provide important pointers to the strengthening of the support administrative structure of Grama Panchayats.

GP Secretaries - age wise details - Karnataka State



Attrition of GP secretaries - next 13 years



7.143. We therefore believe that there is an urgent need to adopt a long-term strategy for improving the quality of Grama Panchayat secretaries and suggest the following steps in this regard:

7.15. Task 15:

Upgrading the post of Secretary to the Grama Panchayat.

As more responsibilities are devolved to Grama Panchayats in accordance with our recommendations, the administrative support structure for Grama Panchayats will no longer be a one-man show. Grama Panchayats will need to have secretariats, with the Grama Panchayat Secretary himself being the team leader, and staff assigned sectoral responsibilities working under his supervision in order to undertake specialized functions. The Grama Panchayat secretary will have to command the respect of his subordinates and will therefore require to be of a higher rank than what he is now. This will necessitate changes in the rules of recruitment. We suggest that Government should immediately upgrade the post of Grama Panchayat secretary from the current low level to the level of a group B government official, or a senior group C post at the least.

7.16. Task 16:

Finding people of the appropriate levels to man the upgraded posts.

The natural answer to the problem of finding adequate personnel to man the posts of Grama Panchayat secretaries would be to recruit new blood at the local level. However, this is easier said than done and at least in the short term, the government will have to find methods of making do with the staff that it already has. We believe that the

answer can be found in the strategies of devolution that we plan to adopt. The strategy of doing away with a plethora of tiny schemes and creating untied funds described by us in the chapter on decentralized planning, will render irrelevant several of the departments which are now delivering precious little while expending a high administrative cost. The departmental staff that would be rendered idle by this process of untying of funds could be redeployed as Grama Panchayat secretaries. The posting of more senior officials to Grama Panchayats will enable them to be given enhanced powers to perform effectively. While this may be unpalatable to certain departments, we need to look at the larger issue of improving governance, rather than be controlled by a desire to protect narrowly focused departmental empires. We must begin to realize that the existence of departments is not always central to governance; governments organize departments to better serve the people. When departmental compartmentalisation hinders coordination and hampers good governance, we must do away with it. We cannot run away from this problem – hard decisions accepting the growing lack of relevance of certain departments will have to be taken and staff redeployed to do work where Governmental services are required. In this connection, the recommendations of the ARC are welcome and should be acted upon.

7.17. Task 17:

Getting more women to work as Panchayat Secretaries:

Currently, though almost 40 percent of Panchayat members are women, hardly 1 percent of Grama Panchayat secretaries are women. Those women recruited as Grama Panchayat secretaries are generally posted at desk jobs and rarely work in the field. This serious imbalance could result in gender insensitivity in the preparation of decentralized plans and their execution and needs to be corrected. One way of doing so in the short term is to seek through the process of inter-departmental movement of staff as suggested by the ARC, the services of women officials of the appropriate seniority from departments where they have a stronger presence, as in the Women and Child Welfare Department, to work as Grama Panchayat secretaries.

7.18. Task 18:

Undertaking a sustained, forward looking and well structured training campaign for equipping Panchayat Secretaries with relevant skills.

We will need to invest substantially in training of Panchayat Secretaries. This will be particularly required when we re-deploy staff of a higher level to Grama Panchayats as Secretaries. We have elaborated on the training aspect in the chapter on capacity building.

7.19. PRIs and civil society collaboration: Relationships with user groups, self help groups and NGOs:

7.191. Another aspect of Panchayat Raj institutions outsourcing services would be the increasing involvement of civil society in planning and execution of plans. This would particularly be the case with the Grama Panchayat. The trends of involving various non-governmental civil society groups, including user groups, common interest groups and NGOs in development is finding increasing acceptance in government's developmental strategies. The main reason for this growing trend is the realization that Government institutions and departments have not always been the most effective mechanism for the delivery of several services to the people. Government schemes and programmes are often inflexible, poorly structured, enveloped in paperwork and create a culture of complete dependence on government initiatives alone. Since Government plans have often come to be conceived and executed in isolation of other initiatives, it has also resulted in a sub-governmental tribe of intermediaries who take it upon themselves the task of carrying the supposed benefits to the people. Several schemes structured in the liberalized era over the last decade have recognized these shortcomings and attempted to weave government intervention and local initiative together. Initial attempts in this regard were rather simplistic, seeking a modicum of local contribution to leverage the availability of government allocation to put up assets in rural areas. Sectors that lent themselves well to this kind of design were the rural water supply augmentation programme and the sanitation programme, with multilateral funding agencies spearheading such arrangements in specific pilot schemes. Certainly, such efforts at involving local people or user groups in participative development were commendable and touched a responsive chord among them. The broad success of the World Bank and Danida aided water supply programme as also the recent popularity of the Swachcha Grama programme are good examples of such contribution oriented participative programmes. However, while these are steps in the right direction, we recognize that their design has several shortcomings, which are as follows:

- a. Most of these programmes do not look into the relationship between the implementing bodies and PRIs closely enough, leading to the existence of grey areas that lead to confusion later on.
- b. The inter-se relationship between different PRIs is poorly defined in them; in many cases while one level implements the programme, another is to attend to the maintenance later.
- c. Most of these schemes envisage different degrees of involvement of a local PRI or user groups at different stages of implementation. While quite often, user groups are involved in the choice of work, they are not assigned as much responsibility in the execution or monitoring of quality in execution; works are usually given to an external contractor through a centralized process and monitoring done by a departmental agency. This is likely to create problems when

the asset is subsequently handed over to a local PRI or user group for maintenance.

- d. The relationship between PRIs and citizen level bodies such as user groups is poorly defined, so that the two often regard each other with suspicion and the relationship breaks down when outside support is withdrawn,

7.192. Though the learning experience of these early arrangements for government civil society collaboration is certainly enriching, we need to develop simple, consistent frameworks and ground rules for such collaborative arrangements to flourish. This is especially important because such arrangements are the cornerstones of several multilaterally aided and governmental major programme initiatives now in the pipeline, such as the “Jala Nirmala programme” and the “Jala Samvardhana Yojana”. We have attempted to define the broad set of concepts and rules that should guide such relationships and proceed to describe them below.

7.193. Option 1: Village Association and their links to Panchayats:

Several participative development models envisage the constitution of associations or user groups, often having clearly identified membership criteria depending on the specific issue that would be the focus of its attention. Typically, such user groups or associations have a two tier system of organization, where all generic users constitute the general body, which elects a smaller executive body that more intensively participates in the day to day decision making process on behalf of the larger group. While there may not be a direct organizational linkage of the user group to the Grama Panchayat, a great measure of coordination between the two institutions could be engineered by providing for a certain level of ex-officio representation on these user group committees from the Panchayat. Thus the local Grama Panchayat member could be an ex-officio member of the executive committee and thereby ensure a close link with the Grama Panchayat. On the issue of accountability, the practice of the executive committee being collectively accountable to the general body could be followed. However, we equally stress that there should be no scope for those outside PRIs such as Legislators, to nominate members onto such committees. This has regrettably been already done in the case of School Development Management Committees. Such actions diminishes the latter's local accountability to Grama Panchayats.

Such a system has its good and not so good points. The good point would be that by co-opting the Grama Panchayat through ex-officio membership, there could be an increased access to the use of additional general-purpose funds from the Grama Panchayat for the project in question. However, sustainability of the group would not so much depend on the linkage with the Grama Panchayat, but on other factors such as the perception of members as to how their participation contributes to their benefit.

7.194. Option 2: To entrust specific sectoral activities to sub-committees of the Gram Panchayat.

This is a much more direct intervention by the Grama Panchayat in encouraging civil society collaboration. The law provides for the Grama Panchayat to constitute additional standing committees to look at specific areas of development. Already, the Task Force on education has suggested that the responsibility of Grama Panchayats in the running of educational institutions within their jurisdiction is a matter too important to be left to the Amenities Committee constituted to look into this aspect, among others. They have suggested transferring the responsibility of primary education from the Taluk to the Grama Panchayat level and that a separate standing committee be constituted at the Grama Panchayat level to exclusively deal with education. While such developments are good, this alone will not address the issue of civil society collaboration. The success of such collaboration will depend on how representative the sub-committee is of users. If there are no stakeholders from the user group who happen to be members of the Grama Panchayat, then constitution of a Grama Panchayat sub-committee consisting predominantly of non-users is not of much use. However, a combination of both option 1 and option 2 could facilitate greater collaboration.

7.195. Option 3: The Grama Sabha itself as the general body:

This is an interesting model that has already been implemented in Madhya Pradesh through the Grama Swaraj Act passed in early 2001. Under this system, the Grama Sabha itself becomes the General body and the Grama Panchayat its executive body, which is answerable to the Grama Sabha. However, an interesting variation of this concept could be that for specific projects, the Grama Sabha itself could constitute standing committees elected from amongst their own members to undertake works that can be implemented locally. In order to ensure that linkages do exist with the Grama Panchayat, the PRI representatives representing the areas from where the local group emerges could again become ex-officio representatives in the executive committee. The success of the experiment in Madhya Pradesh is perhaps too early to assess. While the direct involvement of the Grama Sabha in the implementation is a radical concept having great potential in accelerating implementation of a variety of local works. However the enthusiasm that could be generated through such a system could be quickly dampened in the Grama Sabha Committees are faced with the same system of rigidity in the use of funds, lack of untied funds and non-transparent release processes. We therefore are of the opinion that sequentially, the introduction of a Grama Swaraj model for local participation could be taken up after the back-end simplification of schemes, release processes and the creation of untied funds is completed and people become familiar with them.

7.20. Volunteerism: developing models for participatory development:

Though the concept of voluntary participation has been part of rural development strategy since long, encouraging the involvement of volunteers and local people in the implementation of local plans and schemes has gathered momentum in recent years. This process has been catalysed by the outstanding success of several volunteer movements that have gained widespread attention, such as the pioneering efforts of leaders such as Anna Hazare and Rajendra Singh, who have pushed remarkable changes through innovative and sustainable initiatives in localized areas. We believe that the PRI system should encourage and provide space for healthy movements of people - PRI collaboration. We proceed to lay down some guiding principles that could play a great role in the development of sustainable models in this direction. First and foremost, these precepts ought to be flexible and should allow space for local solutions and practices to develop. Second, we must be cautious of the half way houses that could become substitutes for true volunteerism in rural development.

7.21. The part contribution concept:

7.211. In recent years, the concept of people making a part contribution towards undertaking a particular work with the Government making available the balance amount towards the work, has gained popularity. Even under the PRI system that was in place before the Act of 1993, the “Swavalambana Yojane” gave the ZP a discretionary grant, which was often used for meeting the Government contribution where the people contributed a certain specified proportion. However, since such schemes did not work out the details of the framework for people’s participation in great detail, there were consequent shortcomings in implementation. First, the scheme did not have any particular sectoral focus. A wide-ranging variety of works could be taken up, and most works tended towards the construction of community halls, where often religious institutions made the so-called people’s contribution. Second, the mechanism of collection of the people’s contribution was neither preceded by a sensitisation exercise nor was it properly investigated. This made it easy for interested parties, especially contractors, to make proxy contributions in the name of the people. Third, once the contribution was collected, the rest of the work was implemented in the conventional governmental style – it was handed over to a government department, often the ZP division or the Land Army, which estimated the cost of the work and undertook it on an agency basis. The process of conventional estimation took the same amount of time if not more as compared to conventional government schemes and there were consequent time and cost overruns. This resulted in inefficient use of the funds collected, with the people’s contribution being gobbled up in the cushions within the estimate. Last, the quota system of division of works equally between members affected the Swavalambana Yojane too, leading to a large number of works being sanctioned without adequate budgetary allocation. This led to expensive delays and resulted in overall cynicism about projects driven by people’s contribution.

7.212.Task 19:**Designing better systems for encouraging peoples' contribution:**

We believe that there are important lessons to be learnt from experience. We cannot afford to assume the automatic success of simple models of volunteerism – in fact such naïve acceptance of volunteerism could kill what is essentially a very good concept. Imbibing only a few elements of NGO movements into government schemes while trying to translate their success may cause distortions in implementation. We cannot restrict the ambit and scope of volunteerism to making monetary contributions and then undertake the rest of the work in the conventional governmental manner. One need not look far and wide for excellent alternative models for participation that could be adapted for extensive application. For instance, the Government of India in the Sectoral Reforms project for drinking water now being implemented in three districts of Karnataka, namely, Bellary, Dakshina Kannada and Mysore, have created an excellent model for volunteer participation that allows intensive interaction between volunteer groups, PRIs and implementing agencies at all levels. The interaction involves contribution determination and collection, examination of technical options and making the appropriate choice, calling for the tenders, monitoring the progress of the work and even making payments. We suggest that step-by-step guidance manuals be developed for universal application to all volunteer programmes, so that more of such volunteer participation is encouraged.

7.22. Task 20:**Developing systems for 'monetisation' of "Shramadan":**

A last word on people's contributions: At present, the feel-good aspect of encouraging people to make contributions pushes to the background the need to have well designed institutional mechanisms for their collection and use. Scheme related general directions often do little more than merely stating out the principle; perhaps they allow that people's contribution could be in cash or kind. However, at the local level, there are several issues that vitally affect the collection of people's contribution. When local contributions are solicited, the question of who pays or contributes how much, or the relative importance of contributions in kind vis-à-vis contributions in cash are important decisions for people to make, so that local equity issues are also addressed adequately. One stumbling block is the lack of a mechanism by which contributions in kind can be assessed, especially the value of voluntary labour, or Shramadan. We suggest that a leaf can be taken out of the pioneering experience of Ralegaon Siddi, by monetising a Shramadan contribution. The process is simple - each Shramadan contribution is valued at an agreed labour rate and the money equivalent of such Shramadan is deducted from the project expenses as a payment made and placed in a separate account, namely, the Shramadan account. The advantage of such a system is that the monetisation of Shramadan is physically done, and does not remain on paper. If details of the Shramadan account are published, it will also inform all contributors how much moneys' worth of Shramadan has been contributed and by whom. The same method can be equally applied to contributions in kind. The Grama Panchayat or a committee functioning under it can operate the Shramadan account. It could even become the nucleus of an untied fund the use of which can be decided in a free and transparent

manner. Development of such local practical solutions would go a long way in encouraging local volunteerism.

7.23. Wiring up: Information and Communication Technology and Panchayati Raj:

7.231. The application of computerisation and the development of Internet aided communication have great beneficial applications for PRIs. It is only natural that the Internet lends itself well to our objective of decentralising administration throughout PRIs - the Internet represents probably the best example of rapid decentralised development in the field of communication. The radical changes that the Internet has brought into our lives can be represented through 3 'D's and an 'A'; De-materialisation, Dis-intermediation, De-verticalisation and Accelerated innovation. Let us see what these mean in the context of Panchayati Raj.

7.232. De-materialisation:

Government systems have always depended on a large body of paperwork and documentation. Quite often, in the eyes of the cynical public, Government means paperwork alone. Being a public body accountable to its citizens, Governments must rely on mechanisms of recording its decisions and the rationale for arriving at them in a manner that ensures permanency, security and quick recall when required. For thousands of years, this has been possible through the etching of symbols on a substrate; - Ashoka carved on rock and the Pharaohs used Papyrus; and today we write or print on paper. But do we need to do this any more? Computerisation can lead us quickly to an era where paper becomes history, like palm leaves and papyrus before it. In the Panchayat Raj context, computerisation could do away with the voluminous paperwork involved in planning, accounting, correspondence and other housekeeping work, while not sacrificing the need for permanency in record keeping. This would mean a greater efficiency of personnel, speed in transaction and greater transparency and response to public need.

7.233. Dis-intermediation: The power of a few clicks:

A significant aspect of computerisation and internet based communication is its instantaneous nature. To cite an example, it is time consuming to arrange a meeting with the Chief Minister of a state, even if it is to give a representation or to air a grievance, but with a few clicks on a mouse, one can send him an e-mail. It is possible for persons and organisations to communicate quickly on the internet, without the need to use intermediaries. Large quanta of data can also be directly exchanged with equal facility. In the PRI set-up, this could mean that plans and data relating to monitoring need not be routed by the Grama Panchayat (for instance) through the TP to the ZP. Once the data is placed on the Internet, it can be used by anyone, ranging from the various levels of government to the general public. If therefore we establish an intranet system of communication between the PRIs and the State Government and develop guidelines for its use in communicating information to various levels, current instructions and legal

provisions relating to collating of information manually at intermediate levels become obsolete and dispensable.

7.234. De-verticalisation:

The Internet refuses to be anything but egalitarian. In the cyber world, the website of a mighty nation has the same reach as that of a tiny Panchayat. Each is relevant in its own sphere, but has an international audience. This implication of the Internet is so close to the philosophy of decentralisation that one may well wonder how one cannot but seek strength from the other. In the PRI context, de-verticalisation would mean that hierarchies become unimportant in the face of increased networking. Thus PRIs can develop their own networks and associations that are net based and allow for free exchange of ideas, information, data and experiences. This would allow for greater collaborative interaction and synergy in action. Such a use of the Internet would have special relevance in the planning, monitoring and auditing processes, as it enables instant communication and review between interacting bodies, since all of them have equal reach on the Internet.

7.235. Accelerated innovation.

Computerisation has opened up many opportunities that enable us to leap over intermediate steps to directly reach the forefront of technology use and adaptation. Thus it is easily possible for us to jump from something that has remained virtually unchanged for half-a century to a management information storage and monitoring system that is state of the art. The implications for PRIs are that they have as equal an opportunity to go in for a re-engineering of their processes and systems to match what modern technology can enable, straightaway.

7.236. There is thus a crying need to immediately make use of the full potential of IT in our decentralization effort. The use of computers is also going to become increasingly important in the context of greater transparency in government processes, greater openness to the public, greater streamlining of procurement procedures, taking analytical decisions, helping the DPC to plan better, informing elected representatives of works taken up, undertaking evaluation studies etc. It is in this direction that we have all got to work.

7.237. Need to retain decentralised ownership and updating of data:

Having emphasised the obvious benefits of a computer based network linking PRIs and the State Government, we must realise that a decentralised organisation of the MIS system is itself vital for successful use of the Internet. There have been several attempts to computerise government functioning and the results have varied from outstanding success to abject failure. An important principle that has emerged from these attempts is that dispersed ownership of the content on the system is essential for it to run well. Quite surely, the computerisation and wiring up of Panchayats will involve considerable storage of data, databases that need to be constantly updated to be relevant. In such circumstances, centralisation of data collection, entry and updating is inherently

unstable. Quite often in government, in such a centralised system where data entry is through a centralised agency or organised by a single innovator, the effort fails once the agency fails or the innovator moves on. Thus for a system to be sustainable, those who must use the data must feel that they own it – either they find it absolutely necessary for effective functioning, or it makes financial sense for them to maintain the data on behalf of others.

7.238. In the Panchayat Raj system, we proceed on the basic premise therefore that data will be stored (in a cyber-sense and not the physical sense of the term) as close to the source of collection as possible. Accordingly data collection and updation onto the database will also be as close to the source of its generation. Each PRI becomes therefore the smallest unit of administration at which data can be entered and stored. Therefore in the system that we design, we envisage that there is complete decentralisation of data storage – what can be collected and stored at one level ought to be done at that level alone and not elsewhere. Since computerisation lends itself well to such decentralisation we intend to do this straight away, instead of pursuing a path of gradual decentralisation. Thus in our design, each PRI becomes the focus for data collection and storage for what comes within its sphere and will be trained to make use of this data for their own benefit and efficiency. Though this may sound ambitious, we may be surprised by their ability to innovate, especially if we can make clear to them that there is immense benefit to them for the cost, effort and time that they put into data entry storage and dissemination. The tasks that we propose to be taken up in parallel in order to progressively enable Panchayats to be empowered and enabled to deal with the use of computers and IT are as follows:

7.24. Task 21:

Improving monitoring systems:

The first task is to enable PRIs and the Government to develop an effective monitoring mechanism that finds common use between them. We have given this the first priority because this would instantly allay fears that by cutting the cords that bind PRIs together, as we intend to do, the Government would lose control over their actions. The development of an internet based monitoring and information mechanism in tandem with decentralization would enable Government to closely monitor how PRIs are getting by under the new scheme of things and even step in and take corrective action in case they are not going as planned. The RDPR department has already takes several initiatives in this regard, and developed its own software for monitoring programmes, “Pragathi”. This should be operationalised as early as possible, and improved as feedback comes in.

7.25. Task 22:

Maintaining baseline data:

7.251. Considering the dispersed nature of data and the varying conditions in which PRIs operate, the maintenance of baseline data that becomes the foundation for a planning process is absolutely essential. While such data is indeed available in the Government, it is often disorganized and in its raw form. Analyses of data in order to detect trends and

priorities are often repeated all over, since governments are often notoriously short of institutional memory. The invisible effect of such wayward data collection is lack of efficiency in planning, especially at the local PRI level, where it often descends to a "share the spoils" system. The computerization of PRI functioning should be aimed at putting an end to all this. There have been a number of efforts in computerization and the time is ripe to coordinate these efforts. For a start we could re-organise the random computerization efforts that have been made in the districts. There are several excellent software packages that are already available in the district, which track more or less the same data to a greater or lesser extent. Examples are the NRDMS packages, GIS based software packages developed by the NIC, the package developed by the Rajiv Gandhi Housing Corporation, in addition to RDPR's own Samanya Mahithi and Pragathi. There are also other packages such as those developed by the Education department, the Health Departments, the RDED etc., which also track crucial aspects of development in the Rural Development Sector. Unfortunately, the use of most of this database is poorly publicized and left entirely to lower levels who are not trained, or do not use them in decision making. In addition, each such initiative is treated as a self-contained package in isolation. Systems have not been evolved in order to coordinate between them so that duplication of data entry efforts are minimized and the best use is made of this information. *The lack of awareness of what is available and the poor realization of the potential of using the data available in the software is the crux of the problem.* Use of data properly to take informed decisions has nothing to do with computerization, but has everything to do with logic and common sense.

7.252. Manually collected data shall be computerized and made available as a database for analysis at all levels. However, while doing so, we feel that it is easy to get lost in the complexities of design of software and one must protect oneself against this. In the past, complexities such as GIS, etc. have in fact slowed down computerization, because they are unnecessary for most elementary planning where baseline data presented numerically, can just as easily be used or interpreted. We suggest that the growth of computerization should be need based and natural. The natural process of growth from simple to more complex systems is most appropriate. One cannot wait indefinitely for a perfect and complex system to be developed – it is better to have something that is functional by itself, even if it is simple, which can be constantly innovated on and improved. It is this ethos that should guide computerization of baseline data. The growth of baseline databases could progressively encompass the storage of individual beneficiary or family oriented data. This will require integration and coordination with such systems that are already in an advanced stage of progress, such as the computerization of ration cards and land records. The progressive creation of large data banks has tremendous value not only for analysis, management and feed-back on the success of specific schemes, but could also be of great use for others engaged in development, including NGOs and even the private sector.

7.26. Task 23:**Using computerisation to give meaning to the right to information:**

7.261. While computerization of monitoring systems and maintenance of baseline data are significant steps, these aim at basically streamlining processes internal to Government. However, computerization ought to result in far reaching differences in the way that people interact with their PRIs. This is the essence of e-governance. The first step in using computers to make a significant difference to the quality of people - PRI interaction is to use computers as tools in dispensing information. There are several legislative provisions that enjoin upon the concerned PRI to disclose information. These duties of disclosure imposed upon PRIs are currently directed towards the higher tier. We have suggested modifications to the law for making it essential that the PRIs should keep their constituents informed of their activities. PRIs will thus be faced with the statutory duties of making information freely available to their constituents. However, these modifications to the law would end up being a dead letter unless in parallel, practical procedures are in position that would help in making such information available. IT would become a vital cog in the process of making information available.

7.262. The scope of using computers to give substance to the right to information is vast. While stressing that such systems should be open ended and capable of continuous improvement and development, we venture to state out three important illustrative examples of how computers could be used to improve people - PRI interaction.

a. Making the baseline data available easily:

As the first step towards informing the public, the baseline data itself could be made available in manners that are easily accessible to people. This can be done through developing software that is user friendly, preferably touch-screen operated and compatible for use in information kiosks that the Government plans to put up. The making available of baseline data immediately throws open to public scrutiny the basic information that becomes the foundation of all decentralized planning. Baseline data would also include those aspects of intra governmental communication that ought to be publicized effectively. Publishing circulars and guidelines online with proper systems of indexing that allow for easy retrieval will aid greater transparency and easy retrieval and use by all stakeholders, including Panchayats themselves, their constituents and officials.

b. Maintenance of beneficiary lists:

This is an extension of the concept of computerization of baseline data and is extremely important in the context of giving the Grama Sabha extensive responsibilities with respect to beneficiary selection. Keeping extensive and detailed beneficiary lists maintained in order of priority at the Grama Panchayat level would help in proper identification, follow-up, monitoring and evaluation of schemes against stated outcomes.

c. Information on plans and schemes:

The third important aspect of computerization and information technology is facilitating information dissemination to the public regarding plans and programmes. Disseminating planning information is not merely the publishing of plans on the internet, but also giving informed comment, creating forums for discussion, and publishing evaluation reports and obtaining feedback. Vital aspects in informing the public should include the publication of social audit reports, and estimates and inspection reports of works.

7.263. While improving citizen access to information, it must be ensured that the material made available on the website should be such that would help citizens hold their leaders accountable. Adequate funding and support will also have to be given so that PRIs do not begin to charging citizens for the right to access public information in order to generate the necessary revenue. This can only exacerbate the digital divide between the rich and poor. Citizens could be empowered by providing website search engines and areas to post citizen comments. Finally, clear e-mail addresses will have to be provided so that citizens may direct inquiries to the appropriate contact person.

7.27. Task 24:

Using computers and the Internet for inter institutional communications and housekeeping:

7.271. Communication and feedback is essential for good governance, and for the dispersed system of governance that is proposed to be facilitated through our decentralization strategy, instant communication is vital. Instilling a culture of greater intensity of communication between PRIs, and PRIs and government would be greatly facilitated through the use of the Internet. The possibility for instant, interactive and documentable communication has the potential for greatly improving coordination, as well as communicating essential instructions

7.272. Improved internal housekeeping systems would entail the computerisation of Panchayat accounts, maintenance of correspondence, minutes of meetings, notices to members and correspondence to higher authorities, computerisation of routine civic activities such as issue of bills and computerisation of cash books, Panchayat Jamabandi formats and reports. Evolution of the above independent processes could then result in their eventual networking with other computerization initiatives. Linking PRI accounts computerization systems with the ongoing "Khajane" treasury computerization will help in easier disbursements of money, tracking of expenditure and reconciliation of vouchers, leading to greater control and monitoring of expenditure.

7.28. Task 25:**Making widespread investments in building computer use capacity at the local level.**

We believe that the essential driver of computerisation of PRIs should be the conviction that this is not for the select few alone. Several excellent initiatives towards computerisation have lost their way because they depended entirely on a few dedicated persons who drove the project. In such projects, data inputs were entrusted to a few agents, and therefore, the success of the system was largely dependent on them alone. We need to consciously avoid such a situation, even if it means greater inputs by way of dispersed training and guidance. The best way to ensure that data is effectively up dated is to decentralise the process of updating to the last possible point from where connectivity is established. Though initially the data entry level would be the district, as connectivity is established, the process of date entry could be further decentralised to the taluks and villages.

7.29. Task 26:**Making computerization irreversible by re-engineering conventional manual business processes:**

A major paradox concerning computerization is that in the short term, there is a strong likelihood that it increases the quantum of work. This happens because alongside computerization, conventional business processes are retained in their entirety, quite often because they are sanctioned by law or other subordinate legislation procedures. Thus administration is burdened with the responsibility of keeping the conventional manual system in operation, while taking on the additional burden of computerization. In such a bind, computerization is neglected, and the manual system reigns supreme. We believe that it is important that along with efforts at computerization, we burn the bridges that we have crossed – by replacing conventional procedures with those engineered to suit computerization and the use of IT. Such re-engineering of business procedures would require a number of interventions.

- a. Manuals and instructions regarding current procedures will have to be re-examined and redesigned with the use of computers in mind. Essentially such improvements will concentrate on removing intermediaries who do not add any value to transactions, while retaining transparency in the transaction and mechanisms for feedback at appropriate intervals.
- b. Since PRI communication will eventually be through a network of websites, common standards will have to be evolved to govern the variety and quality of the electronic services offered. Consistent design and navigational principles will have to be used so that users can move among different agencies and offices without confronting radically different user interfaces, search techniques and other impediments. Privacy and security policy statements must be clear and unequivocally stated.

- c. As PRIs being to offer a larger variety of services on their websites, staffing levels and organizational structure will have to be geared to providing rapid, accurate and efficient response to online citizens requests for information or services. This will be imperative when fully executable transactions for government services will be available online.

7.30. Task 27:

Undertaking computerisation in a time-bound manner:

7.301. Finally comes the issue of investing in the providing of connectivity and IT enabling every Grama Panchayat. With the laying of optical fibre cable now open to the private sector, connectivity may not be a problem even to the Grama Panchayat level. How we propose to meet the challenge of developing content has been described more fully earlier. We have also stressed the need to create local capacities in using computers and the Internet for facilitating the transition to a more participative, transparent and accountable system of decentralized governance. We now suggest that these objectives have to be met within a specified time frame, say over the next three years. We reckon that developing content would take a year and the physical availability of computers competed over three years. The whole process however should not drag on for any longer than this. Considering the rapidity with which development of Internet based communication can progress, we should not end up with something that is obsolete before it is commissioned. The capital investment in the computerization of Grama Panchayats is something that will pay rich dividends in improving the quality of local administration.

7.302. Grama Panchayat accounting, book keeping and other housekeeping systems will be modernized to keep pace with the increased range of responsibilities so that vigilance and audit become more concurrent, transparent and therefore, relevant. This is more fully described in the next section on improving housekeeping in PRIs.

7.31. Better House Keeping Systems for PRIs:

7.311. In previous chapters we have described a number of responsibilities that will now be sent down to the Taluka and Grama Panchayat levels. For these responsibilities to be effectively met, there is a need to improve the house keeping of PRIs. The nature of the improvements in housekeeping would predominantly depend on the nature of the responsibilities that are being assigned to each Panchayat Raj Tier. As we see it, the hierarchical control responsibility of the ZP would diminish and it would become more of a facilitator and planner in the new set-up. This will require a reduction in the house keeping activities relating to control, while strengthening the requirements of the ZP associated with the responsibility of planning. A related issue is the strengthening of the ZP accounting systems through computerisation. While the RDPR department has taken certain initiatives regarding this aspect, they seem to have not progressed very far.

7.312.Task 28:**Introducing better housekeeping and accounting systems for ZPs:**

The computerization of ZP accounts is not one concerning technical issues alone – it is about business process re-engineering using IT as an enabling tool. One has to be clear about the accounting systems themselves, what we need to change to, write up the changes and then only go for IT enabling so that the changes are facilitated. If all the initiatives taken so far are put together, not much is required for the computerization of ZP accounts. For treasury computerization, a software package called “Khajane” has already been developed and is an advanced stage of implementation. Once it is implemented, the front end of the treasury-computerized accounts that relates to the district sector itself becomes the ZP account with respect to amounts released through the treasury channel. What is left to do to achieve 100 percent ZP computerization, is to computerize the accounting of money released through banks and integrate this with treasury computerization. The best part of such close integration with the Treasury system would be that the concept of reconciliation becomes obsolete. There will be no borders between PRI accounts and Treasury accounts. Both will be seamlessly integrated. In fact reconciliation becomes a continuous process. There are several existing and former CEOs who have done excellent work in computerization of accounts and even written up manuals regarding these things. We suggest that these best practices can be integrated in-house and a system of ZP computerization can be put in place in a time bound manner, preferably to commence functioning by the next financial year.

7.313.Task 29:**Introducing better housekeeping and accounting systems for TPs:**

At the Taluk level currently there is no much convergence of departments. Though the Taluk Panchayat is in charge of several responsibilities, officials of the concerned department at the taluk level handle these responsibilities directly utilizing their own departmental house keeping capabilities. For instance, though the Taluk Panchayat presently looks after Primary Education, it is the Taluk level Education Department officer who undertakes housekeeping tasks relating to education, such as the disbursements of salaries and maintenance of accounts. Consequently, since such systems are working reasonably well at the taluk level we would not per-se do away with the decentralised departmental house keeping undertaken at that level in favour of a centralised account. With this rider, the housekeeping methodology adopted at the Taluka level would be largely the same as that envisaged for the ZP.

7.32.Improving Grama Panchayat housekeeping:

7.321. It is at the Grama Panchayat level that house keeping systems need a complete revamp. The Grama Panchayat is different from the ZP and the TP as unlike the latter two it also performs civic duties; in that sense the Grama Panchayat is more akin to a municipality. Grama Panchayat house keeping systems will need to have two distinct parts viz., one dealing with their civic functions such as maintenance of civic facilities.

collection of taxes and issuing of licences and the other dealing with the enhanced developmental responsibilities assigned to them. While the development of Grama Panchayats housekeeping systems for better performing their developmental responsibilities would grow in the manner as elaborated in the section on IT and PRIs so as to keep pace with the range of these functions from time to time, on the civic side, the housekeeping could straightaway move to an entirely computer enabled one. Such a civic package would include improvements in tracking setting of taxes and their billing and collection, maintenance of ledger, cash books, day books, khata registers, other property registers, trade licensing formalities, and improved accounting systems for revenue and expenditure. It is not difficult to bring in such improvements in Grama Panchayat civic housekeeping, because one can adapt systems already developed for improving urban local bodies. In addition, there have been excellent examples of such initiatives in the rural sector too, one being the computerisation of the working at Belandur village in Bangalore Urban District which could be improved upon and adopted.

7.322. The Belandur initiative has shown how even without any simplification of procedures, computerisation alone can result in significant improvements in the maintenance of Grama Panchayat accounts and books. However, one must not lose the opportunity for re-engineering the entire system of housekeeping and simplifying processes while computerizing them. One of the improvements in accounting that could be brought in concurrently with computerization is the double entry system of accounting. There are several advantages in adapting a double entry system of accounting. First, it allows distinguishing in an easily understandable manner between cash flow and accrued assets and liabilities – something that is often neglected in a local body, to the detriment of the collection of dues. Second, it captures all assets onto the balance sheet. Once assets are brought onto the balance sheet, their depreciation, which leads to making provisions for their maintenance, becomes automatic. This is important in the context of the increasing likelihood of Grama Panchayats taking over the maintenance of several government assets, such as schools, primary health units etc.

7.323. There are two views of concern with the adoption of a double entry system of accounting at the Grama Panchayat level. First, there is a view that introduction of a double entry system of accounting at the Grama Panchayat would not be in line with the governmental system of accounting. We suggest that computerization can result in the required interconnections being built for the purpose of sending returns by the Grama Panchayat to the Government. Therefore, this is an issue that can be dealt with and the current system of reporting obligations should not act as a brake on re-engineering Grama Panchayat civic processes. Second, there are fears expressed that moving to a double entry system of accounting would introduce unnecessary complexity and would require large inputs in training of staff. We clarify that we are not suggesting the adoption of a corporate double entry system of accounting lock, stock and barrel. For instance the Grama Panchayat need not have a profit and loss account. However, having a balance sheet type of statement showing assets and liabilities of the Grama Panchayat would be a great step forward in educating people of the true strength of their local institutions. This is important in the context of a greater level of volunteerism that we expect to foster

through decentralization reform. A double entry system will also bring to the fore what is the Grama Panchayats demand and how well it has performed in collecting them. It will also mean that write-offs will have to be determined out in the open.

7.324.Task 30:

Introducing a double-entry system of accounting for Grama Panchayats in a time bound fashion.

For the reasons elaborated above, we recommend the devising of a modified double entry system of accounting for Grama Panchayats that will make their accounting processes more self-contained and transparent. We suggested that the Government should prepare in a time bound manner a system that takes care of both the internal civic functions of Grama Panchayats as also deals with the issue of interfacing with governmental accounts satisfactorily.

7.33.Management of Institutions by PRIs

7.331. PRIs currently manage a number of institutions that comes under their control through the assignment of functions under the Act. The most important of these are schools, hostels, anganwadis and health institutions. Before one recommends anything in this regard, it is necessary to determine what are the responsibilities that PRIs have to undertake to manage institutions under their control. In our view, the responsibilities of management would cover the following aspects;

- a. ensuring staff attendance and the quality of their service and response to consumer needs;
- a. daily and long term maintenance;
- b. procurement and supply of essential materials to such institutions.

We now proceed to examine the manner in which these responsibilities ought to be performed by PRIs.

7.332.Task 31:

Laying down standards for benchmarking quality of services:

The first issue is to determine what is the scope of the responsibilities of local PRIs with respect to management of institutions. In our view the responsibility of ensuring attendance quality of services and maintenance of facilities should invariably vest with the concerned PRI. In fact, we have also recommended that in the case of certain crucial services, it should invariably be the responsibility of Grama Panchayats to monitor attendance, even if they are not vested with the full powers of managing that particular institution. As far as ensuring quality of services is concerned, the issue may sometimes concern using technical inputs. These technical inputs could be sourced from

within the Government or outside. It may be worthwhile to lay down certain fully accepted quality standards as regards the quality of service and give wide publicity to them by way of citizens' charters, followed by periodic checks to ensure conformity.

7.333. Examining PRI procurement strategies for Institutions:

In the case of procurement of materials, no hard and fast rule about decentralisation can be set and centralisation may be useful. With respect to health institutions, the State Government is already acting towards putting into place a system of procuring medical supplies in a centralized manner. This is a welcome development. The earlier logic of permitting PRIs to make a certain proportion of medical supplies purchases was to ensure that there could be a dual method of attending to local shortages. However, this often resulted in lack of coordination, leading to over-supply of certain supplies while requirements of others were not met. Today's technologies allow for streamlining all aspects of procurement, providing for transparency in procurements, and better logistics of making supplies. This leads to better scales of economy. In such circumstances, we recommend that the Government could examine adaptation of the same system to the supply of bulk items to other institutions too. Such systems could cover the purchase of books, stationery, electrical materials clothes etc. In the case of perishable materials such as food items, vegetables etc., a suitable arrangement consisting of a combination of both centralised and decentralised methods will have to be worked out - we cannot be dogmatic about one or the other position.

7.334. Task 32:

Streamlining procurements through a combination of centralised and decentralised procurement:

We would suggest that a procurement strategy that aims to promote competition amongst suppliers to the benefit to Government and PRIs, combined with safeguards that ensure transparency can be adopted by departments such as Education, Social Welfare and Women and Child Welfare Departments which are mainly concerned with running local institutions. Many of these departments already have centralised systems of procurement. However, our suggestion does not mean that existing centralised systems of procurement need not be reformed. The centralised procurement systems that we envisage ought to be state of the art, similar to the initiatives of the Health department.

7.335. The Vexed issue of Inspections:

The last issue concerning PRI management of local institutions is a distressing one - a view that is increasingly being voiced is that the system of having PRI standing committees supervising local institutions has resulted in rampant petty corruption at local level. The corruption practices include ignoring absenteeism, irregularities in assignment of maintenance contracts, irregularities in purchase and sometimes extortion of money

from local staff. This perception has reached such serious proportions that departments such as Social Welfare are now considering transferring the responsibility of inspection of their hostels from PRIs to an independent committee headed by the Deputy Commissioner. We would suggest a re-think on such tendencies. A reversion to centralization would be an acceptance that some of the aberrations that we see when operationalising decentralization are incurable.

7.336. Task 33:

Introducing additional safeguards into the inspections system:

We stress that the answer to such illegal practices would lie in ensuring that the institutional systems that we have created for running these institutions actually functioning in transparent manner, through the introduction of additional safeguards and we suggest the following measures:

- f. First, standards of quality could be set and institutions and the people informed through wide publicity.
- g. Second, there could be more surprise checks of institutions selected in a random manner. In order to send the message that no such irregularities will be tolerated, initially a high proportion of such institutions, say 20 percent, could be so inspected. The randomness of selection should not be open to subjectivity at all and a list of targeted institutions could be generated using systems that are already available.
- h. Third, reputed outside institutions could also be used to conduct random checks.
- i. Fourth, the enhanced accountability mechanisms that we propose, such as the Ombudsman, should be used to good effect. These are just the kind of complaints in the decentralized set up that we expect it to investigate. Those found guilty of irregularities could be dealt with firmly. In the case of elected representatives, we the Government on the recommendation of the Ombudsman, should take action to take punitive action, including removal and disqualification.
- j. Fifth, the right of information should be effectively invoked and suo moto, essential details pertaining to management of these institutions should be made available to the public, including details of the expenditure incurred by these institutions in providing facilities, so that there is a fear of being held accountable in case of any irregularities.

7.337. Determining who should do what:

Of the above institutions that we have described, primary schools and anganwadis have smaller service areas that usually do not span the boundaries of Grama Panchayats. We have already stated out in the chapter on Activity Mapping that the responsibility of managing these institutions should vest with Grama Panchayats. The Task Force on

Education has also suggested the same strategy, recommending the formation of School Development and Management Committees that would directly control and manage the day-to-day affairs of primary schools. We have stressed earlier in this chapter that the relationship between such bodies and the Grama Panchayat will have to be carefully designed so as to minimize the possibilities of conflict; one suggestion has been that there could be some ex-officio representation in SDMCs from the concerned Grama Panchayat. With respect to hospitals, PHUs PHCs and hostels the situation could be different. These institutions span the boundaries of Grama Panchayat. Therefore they have to be managed at the taluk level.

CHAPTER 8

CAPACITY BUILDING OF THE PEOPLE, THEIR REPRESENTATIVES AND OFFICIALS

8.1. The success of decentralization will not be easily achieved; it vitally depends upon a large number of elected representatives and officials and this success. The new dispensation that we envisage will cause fundamental changes in the way local elected representatives and officials handle their work. Improving the capacity of all players will be vital to ensure the success of decentralization reform. We will also need a mass sensitization campaign to inform people how important it is for them to contribute to the growth of their own decentralised institutions through vigorous practice of democracy. Capacity building will concentrate on two aspects, namely, training and continuous handholding through volunteer participation. With respect to training there again are two aspects, namely, skill training and attitudinal training. Both will have to proceed in tandem.

8.2. Task 1:

Training in skills:

Of the two aspects of training, organising skill training is perhaps the easier of the two as the target groups that will be the focus of attention are well known. (officials and elected representatives) and training modules can be easily developed and improved. Skill building efforts will need to concentrate attention on two different aspects, the first being the proper understanding of the underlying principles and objectives of bringing in the new system and the second, familiarity with the new systems themselves. While much of the skill training will concentrate on better understanding of conventional procedures, in the meanwhile some of the business rules are likely to be rewritten for the new setup. Government will have to work on writing up the small print concerning decentralization: how new procedures will work and what are the methods for evaluation that will have to be used. Examples of business process re-engineering that will follow from our report could be the issuing of detailed guidelines for perspective planning by the DPC, the development of double entry systems of accounting for Grama Panchayats, computerization of accounts of ZPs and TPs and preparing new finance and public works manuals for rural engineering works. There will have to be close coordination between those who develop new business processes and those who deal with the training, so that there is no duplication of effort and the communication of training material and conduct of training in using the emerging systems is done quickly.

8.3. Task 2:

Changing mindsets through Attitudinal training:

The new decentralization model envisages a greater devolution directed at empowering the people as also the Grama Panchayats. It also aims at changing the

existing concept of a hierarchy of PRIs and replacing it with the new concept of PRIs being spheres of government rather than tiers. As a consequence of each PRI working as a largely independent sphere of government within the tasks assigned to it, there will be lesser time spent by each tier in overseeing the work of tiers at lower jurisdictional levels. Officials and elected representatives who see their present positions in the PRI hierarchy as a sign of their superior power may perceive the shift towards empowerment of Grama Panchayats and Grama Sabhas as an erosion of their power. There is a great need to bring to the notice of elected representatives and officials the opportunities that lie for them to enrich their work content through the process of decentralisation. Officials and elected representatives as trustees of the people and now their role will be one of building the capacities of their people. Decentralisation is not disempowerment. No elected representative or official would be content in the belief that the people that he serves are either ignorant, or apathetic or both. However, to carry this message down and cause a change in mindsets is a far more difficult thing to do than to impart specific skills. Issues such as gender sensitisation of PRI representatives, creating a relationship of greater trust between the PRI representatives and officials and training of PRI representatives in organizing inter-tier arrangements better, all require changes in mindset. There will have to be a greater concentration on developing effective training strategies in this regard. Such training cannot be structured beyond a point, and it requires sensitive handling. Much success can be achieved by using those who are committed to decentralization in the non-government sector to support government initiative in this regard.

8.4. Task 3:

Capacity building through handholding by volunteer participation:

8.41. Even the best trainers undertaking well structured training programmes will not be able to equip PRIs fully to handle some of the tasks that they will now be expected to undertake, such as preparation of perspective plans based on a proper appreciation of local resources, conducting meaningful social audits, taking up projects with all its complexities such as raising finances and examining estimates, undertaking tax mapping etc. While we could supplement such training with operational manuals and online support from the same trainers, in the final analysis there can be no substitute for a skilled and responsive local consultant group that is available to guide PRIs and particularly the Grama Panchayat. In order to supplement skill and attitudinal training it is absolutely necessary to build a large volunteer corps that aids PRIs in performing tasks that some consider are beyond their capacity at present. There are several issues that concern how we could institutionalize such arrangements. There are examples that are available elsewhere and best practices could be used. However, we are firmly of the opinion that we need to develop a specific Karnataka model that serves our needs effectively.

8.42. The first issue that needs to be considered is what should be the constitution of such local consultancy teams. – we term them as Project Facilitation Teams or PFTs. PFTs could be created from Government staff themselves. In other words Government staff themselves could be given an opportunity to leave Government and form themselves into PFTs that would be able to help the Grama Panchayats to undertake local planning

and other development works. Having PFTs that are created by NGOs also could foster a spirit of healthy competition. However, PRIs will have the option to seek the use of PFTs. We would suggest that since this is a new experience we need to use the PFT approach in cases where PRIs themselves demand such external support. In such a case, the local PRI will be supported by PFTs who will have all skills or be in a position to outsource skills that they do not possess in order to undertake works or other handholding exercises of the government.

8.5. The importance of close coordination:

While having segregated training methodologies as above, we emphasise that great care has to be taken to ensure that the approach to capacity building does not become fragmented as a consequence. Skill training, attitudinal training and the PFT approach will all have to be closely coordinated in order to work together. There are several simple methods to ensure that fragmentation does not happen. First, training could be of mixed groups of officials and elected representatives drawn from different levels and PRIs, unless such training is specifically focused on some particular skill alone. Second, training programmes could be loosely structured around a good mix of skill and attitudinal training modules. Third, there has to be follow up action after training, through the creation of alumnus groups that ensure sustained trainer or training institution linkages with the trainees. Such continuous interaction could be easily facilitated through the effective use of IT and satellite interactive connectivity, a facility that is already available with the ANSSIRD, Mysore. For a start, a programme to directly reach out to Grama Panchayats will have to be undertaken. Within a year, the Government must be in a position to cover all Grama Panchayats in the state for skill training. Quite obviously, for the development of skill training, a large number of personnel will be required. These persons will have to be carefully chosen not only for their knowledge and experience over the subject, but also for their commitment to the cause of effective decentralisation.

8.5. Task 4:

Designating the ANSSIRD as the capacity building coordinator:

We propose that the Abdul Nasir Saheb State Institute for Rural Development (ANSSIRD), could be the Nodal agency for undertaking the entire training and capacity building exercise that we have planned. The ANSSIRD could be supported by the Mahatma Gandhi Rural Energy Development Institute, which though primarily is expected to concentrate on the training of elected representatives in the use of local energy initiatives, has excellent facilities for undertaking capacity building training too. The ANSSIRD would also develop training modules and play an active part in the re-engineering of business procedures. It could be developed into a center for good rural governance, even seeking assistance through collaborative tie-ups with other training institutions, both within and outside the country. Such pool of talent is not hard to find. The Institute of Social and Economic Change, Bangalore, the National Institute of Advanced Studies, Bangalore, the Indian Institute of Management Bangalore are all locally available and should be tapped for this training effort. In addition there are several

institution whose services can be utilised for training, including universities in Karnataka such as the Hampi Kannada University. We should also make use of voluntary effort in this regard. After a census of the resources available at our command is made, we could then assign specific responsibilities to them, even placing them in charge of specific districts if required for the purpose of training. These resources would supplement the already available resources available with the local district training institutes.

8.6. Task 5:

Involving the District Planning Committee in capacity building for decentralized planning:

We believe that the DPC, being the district think tank with respect to the planning process, should be given a prominent role in capacity building efforts at the district level. This capacity building would go beyond the capacity building for PRI members, to encompass training for staff, as also the members of PFTs if required. This training effort will have to be undertaken in close coordination with the ANSSIRD.

8.7. Task 6:

Pooling Training and capacity building funds:

There is a great need to use better the training resources that we have at our command and in this endeavour we need to look far beyond the limits of what can be put together by the rural development department alone. Departments that do have funds for capacity building aimed at fostering more meaningful participation in PRIs are the Social Welfare and the Women and Child Welfare departments.

8.8. Task 7:

Broadbasing the membership of the Panchayat Parishad:

Through amendments made in 1997, the institution of the Panchayat Parishat was created at the State level to provide a forum for discussion on PRI and decentralization issues. ZP Adhyakshya of all the ZPs are members of the Panchayat Parishad. However, if our recommendations are accepted, the hierarchical relationship between the tiers would considerably diminish. Under such circumstances, we cannot always expect the ZP Adhyakshya to speak for the other 2 tiers. Consequently, we suggest that due representation be provided for TP and GP Adhyakshyas on the Panchayat Parishad of the State. We suggest that just as in the manner by which members of PRIs are elected on to the DPC, representatives of these categories on the Panchayat Parishad can be elected from amongst them. We have suggested appropriate changes in the law to provide for this.

CHAPTER 9

SEQUENCING REFORM

9.1. A game plan for PRI reform:

9.11. Our final suggestion is that we have a game plan for operationalising decentralization ready. The tasks in decentralization are described below.

- First the law will have to be amended, schemes rationalized and funds will have to be untied;
- Second, new business rules that serve the new found roles for PRIs under the decentralized system will have to be written up;
- Third, we will have to devise a sustainable system of informing people effectively about the changes;
- Fourth, we will have to undertake a massive capacity building exercise to excite, inspire and strengthen local level capacity so that decentralization becomes a movement;
- Fifth, we will have to have an effective feedback and monitoring system to constantly inform us about the outcome of our actions, so that we can take corrective action.

9.12. We have already discussed at length the first four aspects and now dwell on the sequencing of reform and the preparatory steps for the same.

First, we suggest the creation of an in-house decentralization team at the Government level. We will need to have clear communication channels and housekeeping systems worked out in advance so that we can concentrate on reaching out to people. Through the use of IT, direct communication between any PRI, however small and remote, directly with the highest authorities in the Government should be encouraged, so that the decentralization team has a finger on the pulse of the people at all times and messages are not diluted through intermediaries.

Second, we propose that the reform initiatives that we suggest should be taken up in selected assembly constituencies for one year. These constituencies can be selected with the full support of the local MLA. Thus elected representatives will be closely involved with the implementation of these changes. Thus all the reform initiatives that we have described can be implemented there, with concentrated and sustained attention. These constituencies could become the experimental laboratories for Panchayat Raj reform as suggested by us.

Third, there should be close monitoring and concurrent evaluation of decentralisation and the government should always be open to mid-course corrections. As far as possible evaluation exercises should be undertaken through outside agencies and evaluation reports made public, so that there is a proper understanding and debate on the process of change.

9.2. As we have stressed earlier, each aspect of decentralisation that we have considered is indivisible from the other. One cannot talk of corruption in the management of institutions without referring to the Ombudsman as a safeguard against the problem; one cannot talk of decentralized planning without linking it to fiscal decentralization, building up of local capacities and stability in leadership. Consequently, it is imperative that reform ought not to be in half measures and our suggestions should be seen in that spirit. While one may speed up or go slow in pursuing each of the tasks that we have suggested, one must be unwavering as to what is the goal that one wants to achieve. We believe that the recommendations should have visible ownership and the commitment towards it will have to be visible and sustained at all times. Once there is ownership right from the top, then things will fall into place and apprehension should hopefully fade away.

9.3. The mindset that the role of a Government is to rule over its subjects has persisted even after half a century of freedom. This mindset has survived despite democracy and attempts at decentralisation, and has often subverted the very systems that are created to destroy it. We intend to make an effective endeavour to get rid of this ruler-subject relationship syndrome between the Government and citizens. This change has to be wreaked at the fundamental conceptual level. The relationship between the Government and citizens has to be redefined.

9.4. Essentially, Governments need to treat and respond to citizens in the same way as a large enterprise treats and responds to its customers. It is this vision of an entrepreneurial Government, responding to the needs of its citizens; its customers; that has driven our action plan. What does an entrepreneurial Government do? First, it listens to its customers, measures satisfaction and responds to their needs. Second, it unties and discards red tape, shifting from systems where its staff are accountable to following rules to one in which they are accountable for achieving results. An entrepreneurial Government empowers those who work at the cutting edge with greater sense of responsibility and discretion to solve their problems. Last, an entrepreneurial Government does not rest; it constantly endeavours to work smarter and cheaper, re-examining its processes, abandoning the obsolete and embracing new technologies and processes to cut costs and improve consumer satisfaction.

9.5. It is with this spirit that this working group has embarked on the task of re-inventing decentralised governance. Our approach was to go far beyond fixing specific problems in specific areas and departments. In doing our job we did not reject traditional values that are dear to democratic governance – values such as equal opportunity, equitable sharing of resources and a right to democratic participation; we have only

sought to transform the bureaucracies and polity that comprise the present framework of decentralised governance so as to further nurture these values.

We express our heartfelt gratitude to Shri M.Y. Ghorpade, the Honourable Minister for Rural Development and Panchayat Raj for his constant support and guidance of the members of this Working Group in the preparation of this report.

“After decentralization, people at the top will have less to do and more to think.”

M.Y. Ghorpade
18-1-2002

ANNEXURE 1

SUGGESTED AMENDMENTS AND ADDITIONS TO THE PANCHAYAT RAJ ACTS AND RULES

Abstract of amendments suggested to the PRI Act

Chapter I

Section	Existing law	Proposed law	Remarks	Page no
2 (16)	Definition of Grama Sabha	Now proposed to be for the Panchayat	The existing law states that the GS "relates to a village" within the GP. Now that we are proposing for Vasathi Sabhas, we propose to have one GS per GP.	186
2 (41)	None	Definition of Vasathi Sabha to be inserted	VSs are proposed to be constituted for more intense and meaningful people's participation	186

Chapter II

Vasathi Sabha and Grama Sabha

Section	Existing law	Proposed law	Remarks	Page no
3	Grama Sabha's powers and duties defined	Existing section regarding Grama Sabha to be deleted and a new section 3 to be inserted which states out powers duties and responsibilities of Vasathi Sabhas, Grama Sabhas, their frequency of meeting and quorum requirements	This is proposed to define the institutions of people's participation better and to arm them with more teeth. Quorum requirements are introduced in order to make these bodies more representative of the people	186

CHAPTER III

Constitution of Grama Panchayats and Standing Committees

Section	Existing law	Proposed law	Remarks	Page no
12.	Disqualification for members.-	No change proposed in subsections a to i and k. Sub-section j that speaks of not having a sanitary latrine as a reason for disqualification to be omitted along with proviso.	Such a clause cannot be implemented and is a dead-letter. It smacks of a patronising attitude. There can be better methods of ensuring popularisation of toilets than using the lack of one as a reason for disqualification of panchayat members	192
12	Disqualification of Members	New Sub-sections k, l, m, to be added providing for disqualification if election expenses account are not furnished.	This is to provide for stringent duties to file election expenses. (Corresponding sections 128(2) & 166(2) for TPs and ZPs respectively)	192
13. (1)	Vacation of seat by members.- Circumstances in which disqualifications operate, including continuous absence from Panchayat meetings.	No change proposed in sub-clauses 13(1) 'a' and 'b'. Sub-clause 'c' changed along with proviso to disallow any panchayat member from a long absence from the village.	More stringent duties imposed for Panchayat Members to ensure that they know the consequences of apathy to their duties. (Corresponding sections 129(1) & 168(1) for TPs and ZPs respectively)	192

Section	Existing law	Proposed law	Remarks	Page no
13. (1)	Vacation of seat by members.- Circumstances in which disqualifications operate from Panchayat meetings.	New clauses introduced for seat vacation in case of proved corruption, proved mal-administration, waste or misapplication of Panchayat property or for failure to call for 2 consecutive VS meetings	More stringent clauses imposed for Panchayat Members to ensure that they know the consequences of misuse of power (Corresponding sections 129 & 168 for TPs and ZPs respectively)	192
13 (2)	Power to decide on disqualification of members now with the Assistant Commissioner	Proposed to be given to State Election Commissioner	So as to make the process of disqualification independent of the executive, as in the case of TPs and ZPs.	193
19 (1) (e)	New clause	Candidates cannot use symbols of recognised political parties and if he does, the election is declared void	Plugs a grey area in the law	193
43-A.	Removal of members for misconduct.- The present section empowers the Government to remove a member on the recommendation of the Grama Panchayat or otherwise after conducting an enquiry.	The Government on the recommendation of the Ombudsman may remove any member after such enquiry as it deems necessary for the reasons specified.	This amendment is consequential to the constitution of an Ombudsman. Thus that in case the GP wants to remove a member, it should bring this before the Ombudsman and not directly to the Government. (also see section 136 and 175 for similar clause regarding TPs and ZPs respectively)	193

Section	Existing law	Proposed law	Remarks	Page no
43 (B)	New clause	Member to declare Assets	We propose to bring the same regime of transparency as is envisaged for elected member universally. (Corresponding Sections 136 A & 175 A for TPs and ZPs respectively)	193
48. (4)	<i>Removal of Adhyaksha or Upadhyaksha.-</i> The current law provides for removal of the Adhyaksha or Upadhyaksha of Grama Panchayat by the Government after following due process, including if necessary, obtaining a report from the Taluk Panchayat.	The provision to obtain a report from the Taluk Panchayat is omitted and instead, a provision made for obtaining a report from the Ombudsman.	This is consequential to the appointment of an Ombudsman, as also in deference to the principle that no tier should sit in judgment over another. (Corresponding sections 140 & 179(4) for TPs and ZPs respectively)	194
52. (1)	Meeting of the Grama Panchayat.-	Meeting proposed to be once month	We propose to increase the frequency with the intention of promoting more intense discussion and participation.	194
52 (3)	Notice period for an ordinary meeting fixed at 7 days and for special meeting, at 3 days.	Period proposed to be increased to 10 and 3 days respectively for ordinary and special meetings	This is to bring it in line with corresponding provisions in the case of TPs and ZPs.	194
52 (4)	Officers 'to be entitled' to attend GP meetings	Making it mandatory for officials to attend meetings	To give GP its due importance	194

Section	Existing law	Proposed law	Remarks	Page no
53. (1)	Quorum and procedure.- One third quorum fixed	One third of those attending to be women	To bring home the importance of women attending meetings (please see Section 141 (2) (c) for TPs and 180 (2) for ZPs)	195
53. (3)	Voting procedure described	Flexibility given to GP to lay down detailed procedures for conduct of voting including what decisions will require secret ballot.	Flexibility will allow GPs to devise locally applicable procedures not repugnant to the Act. (similar section for TPs in section 141 (2) (f) and for ZPs in section 180 (2) (f))	195
53 (4)	Clause restraining GP member from participating in discussions where they have a personal interest with the subject being discussed	Sub-section '4A' introduced casting a duty on GP members to disclose to the GP any conflict of interest	Strengthening of existing conflict of interest provision. (similar section for TPs in section 141 (2) (g))	195
53 (6)	New Sub-section (6) to be introduced and current Sub-section (6) to be renamed as Sub-section (7)	The dissenting Member can give a notice of dissent to the Secretary regarding any resolution.	This provision would allow for detailed and democratic discussion.	196
53 (7)	Sitting fee	Flexibility introduced in the law		196

Section	Existing law	Proposed law	Remarks	Page no
54 (1)	Minutes.- Describes how meeting minutes are to be maintained	Provision for display of proceedings on the GP notice board along with the details of the names of the members voting respectively for or against the resolutions decided upon in the said meeting.	Important amendment, wherein voting pattern of members is mandatorily disclosed. Members cannot hide behind consensus.	196
54 (2)	Resolution to be sent to the Executive Officer	Resolution to be sent to the Chief Executive Officer along with notices of dissent if any.		196
54 (3)	New clause	The Chief Executive Officer can initiate action in case the dissent note indicates that the resolution was violated the provisions of the Act.		196
54 (4)	New clause	The Secretary can propose the resolution to be reconsidered in case there is justification as showed in the notice of dissent.	Another safeguard to see that genuine and justified dissent is not ignored.	197

Section	Existing law	Proposed law	Remarks	Page no
54 (A).	New clause	New clause declaring collective responsibility of members towards GP decisions	Important amendment declaring collective responsibility, so that members cannot absolve themselves of responsibility through abstaining from decisions. (similar section for TPs in section 141 (6) and for ZPs in section 180 (7))	197

Chapter IV:**Functions, duties and Powers of Grama Panchayats, Adhyaksha and Upadhyaksha**

Section	Existing law	Proposed law	Remarks	Page no
58	Functions of GPs	Protection of biodiversity included in the law as an obligatory function	This is necessary in order to make GPs realise the importance of protecting their environment	197
58 (3)	Prior approval of TP required for GP to undertake certain activities relating to making contributions	Prior approval stipulation removed	The section specifically provides a two-thirds majority stipulation. Therefore, no need for prior approval.	198
61 - B	Appointment of Joint Committees	Proposed to be omitted	Redrafted along with section 79 (See remarks regarding section 79)	198

Section	Existing law	Proposed law	Remarks	Page no
62	Powers and duties of the Adhyaksha and Upadhyaksha.-	Designating the Grama Panchayat Adhyaksha to be the executive head of the Grama Panchayat	To uniformly apply the concept to all tiers.	199
62	Powers and Duties of Adhyakshya and Upadhyakshya	Powers given to place employees under suspension and call for records and pass orders in consonance with the law	These are to empower the G.P. Adhyakshya	199
63.	Power of Grama Panchayat as to roads, bridges, etc.- Prior sanction has to be taken from the TP for closing or diverting a road vested in the GP	Requirement for prior sanction is removed	Once the road is vested in the GP, there should be no further need required for overseeing by the TP.	200
79	Provides for joint committee formation between GPs and other statutory and local bodies under the supervision of the ZP	Redrafted after including elements of section 61 – B and removing powers of supervision of ZP	Greater freedom to GPs to form local committees amongst themselves or with other bodies.	200

CHAPTER V

Staff of Grama Panchayats

Section	Existing law	Proposed law	Remarks	Page no
111 (1)	Secretary.- Grama Panchayat Secretary is to be paid from the ZP fund	Salary payment to be made from appropriate PRI fund	This is an enabling provision for fiscal decentralisation	202
111 (2)	Powers and Duties of Grama Panchayat Secretary	The powers are elaborated in Sub-sections (a) to (g)	This is to state out the powers of the Secretary in greater detail	202
113 (2)	Secretary has a power to suspend ZP employees	Since the power is given to Adhyakshya under Section 62		203

		(1)(d), the Secretary's power is omitted. Appeal provision to CEO not made final		
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Sect ion	Existing law	Proposed law	Remarks	Page no
111 - A	New section	Expressly protecting independence of the Secretary in exercising powers conferred through statute	This clarifies to position. Thus body cannot interfere in appellate powers of Secretary etc. (See also 156 A and 197 A with respect to TPs and ZPs)	202
113 -A	New clause	Law enabling Government to allow staff to GPs in the exigencies of services. Important power given to Panchayat to draw the services of technical staff from out side the Government services for specific works.	This is an important amendment enabling future posting of more staff including technical staff of Grama Panchayats	203

CHAPTER VII

Constitution of Taluk Panchayat

Sect ion	Existing law	Proposed law	Remarks	Page no
120.	Constitution of Taluk Panchayat- Along with elected members, MLAs MPs and Grama Panchayat Adhyakshas are also members	Proposed to remove ex-officio membership for members elected to other bodies	Consistent application of the principle that only those who are elected to a particular body of elected representatives can sit on it. (Similar clause for ZPs in section 159)	204

Section	Existing law	Proposed law	Remarks	Page no
121	Powers of Government to notify the number of elected members	Proposed to restore the power to the State Election Commission	This is to restore the position to that which existed prior to Amendment act no 8 of 2000. The vesting of these powers would give the process the aura of impartiality. (Corresponding changes in the case of ZPs in section 160)	204
122	Powers of Government to determine number of elected members of TPs	Proposed to restore the power to the State Election Commission	Same reason as above (Corresponding changes in the case of ZPs in section 161)	204
123	Powers of Government to and reserve seats for elected TP members	Proposed to restore the power to the State Election Commission	Same reason as above (Corresponding changes in the case of ZPs in section 162)	205
124	Powers of Government to delimit territorial constituencies of TPs	Proposed to restore the power to the State Election Commission	Same reason as above (Corresponding changes in the case of ZPs in section 163)	206

Section	Existing law	Proposed law	Remarks	Page no
128 1(j)	Disqualification for members.-	No change proposed in subsections a to i. Sub-section j that speaks of not having a sanitary latrine as a reason for disqualification to be omitted along with proviso.	Such a clause cannot be implemented and is a dead-letter. It smacks of a patronising attitude. There can be better methods of ensuring popularisation of toilets than using the lack of one as a reason for disqualification of panchayat members	206
128 (2)	Disqualification of members additional reasons regarding election expenses	New sub-sections j,k l, m to be added providing for disqualification if election expenses account are not furnished.	This is to provide stringent duties for filing election expenses. (Corresponding sections 12 & 166(2) for GPs and ZPs respectively)	206
129	Vacation of seat by members.- Circumstances in which disqualifications operate are mentioned	No change proposed in sub-clauses 129(1) 'a' and 'b'. Sub-clause 'c' disallowing any member from a long absence from the Taluk changed along with proviso	More stringent duties imposed for Panchayat Members to ensure that they know the consequences of apathy to their duties. (Corresponding sections 13(1) & 168 for GPs and ZPs respectively)	206

Sect ion	Existing law	Proposed law	Remarks	Page no
129	Vacation of seat by members.- Circumstances in which disqualifications operate are mentioned	4 new clauses introduced to provide for seat vacation in case of proved corruption, proved mal-administration, waste or misapplication of Taluk Panchayat property	More stringent duties imposed for Panchayat Members to ensure that they know the consequences of misuse of power. (Corresponding sections 13(1) & 168(1) for GPs and ZPs respectively)	207
133	Notification of members elected to TPs in the Gazette by Government	Proposed to restore the power to the State Election Commission	Same reason as for sections 121 to 124 (Corresponding changes in the case of ZPs in section 172)	207
136.	Removal of members for misconduct.- Provision for doing so with ZP opinion	The provision to obtain a report from the Zilla Panchayat is omitted and instead, a provision made for obtaining a report from the Ombudsman.	This is consequential to the appointment of an Ombudsman, as also in deference to the principle that no tier should sit in judgment over another. (Same provision as in section 43 – A regarding GPs)	207
136 - A	New clause	Member to declare Assets	We propose to bring the same regime of transparency as is envisaged for elected members universally. (Corresponding sections 43 -B & 175 - A for GPs and ZPs respectively)	207

Section	Existing law	Proposed law	Remarks	Page no
138	Reservations of TP Adhyakshas and Upadhyakshas by the Government	Proposed to restore the power to the State Election Commission	Same reason as in sections 121 to 124 and Section 133 (Corresponding changes in the case of ZPs in section 177)	208
140 (4)	<i>Resignation or removal of Adhyaksha or Upadhyaksha.-</i> The current law provides for removal of the Adhyaksha or Upadhyaksha of Grama Panchayat by the Government after following due process, including if necessary, obtaining a ZP report	The provision to obtain a report from the Zilla Panchayat is omitted and instead, a provision made for obtaining a report from the Ombudsman.	This is consequential to the appointment of an Ombudsman, as also in deference to the principle that no tier should sit in judgment over another. (Corresponding sections 48(4) & 175 for GPs and ZPs respectively)	208
140 (6)	New Clause	Providing for Social Justice Standing Committee chairperson to perform functions of Adhyaksha in the absence of the Upadhyaksha	To take care of the vacuum. (Corresponding section 179(6) for ZPs)	208
141. 2 (c)	Quorum and procedure.- One third quorum fixed	One third of those attending to be women	To bring home the importance of women attending meetings (please see Section 51. (c) and section 180 (2)(a) for GPs and ZPs respectively)	210

Section	Existing law	Proposed law	Remarks	Page no
141 2 (f)	Voting procedure described	Flexibility given to TP to lay down detailed procedures for conduct of voting including what decisions will require secret ballot.	Flexibility will allow TPs to devise locally applicable procedures not repugnant to the Act. (please see section 53. (3)) and section 180 (2)(f) for GPs and ZPs respectively)	210
141 2 (g)	Clause restraining TP member from participating in discussions where they have a personal interest with the subject being discussed	Provision introduced casting a duty on TP members to disclose to the TP any conflict of interest	Strengthening of existing conflict of interest provision. (please see section 53. (4)) and section 180 (2)(g) for GPs and ZPs respectively)	210
141 (6)	New clause regarding no confidence motion	Adhyaksha or Upadhyaksha cannot chair no-confidence motion against themselves. It is also clarified that no casting vote can be used in a No confidence motion	Sets out with greater clarity the process of no-confidence motion. Otherwise this has been a chronic grey area (Corresponding sections 180(6) for ZPs)	211
141 (7)	New clause	New clause declaring collective responsibility of members towards TP decisions	Important amendment declaring collective responsibility, so that members cannot absolve themselves of responsibility through abstaining from decisions. (similar clause for GPs in 54 (A) and for ZPs in 180(7)).	211

CHAPTER VIII

Functions, Duties and Powers of Taluk Panchayat, Adhyaksha and Upadhyaksha

Section	Existing law	Proposed law	Remarks	Page no
152 (c)	Listing out the powers and functions of the Adhyaksha	New proviso that the Adhyaksha shall not call for files and records which are directly related to the exercise of independent statutory functions of the Secretary or another officer under the Taluk Panchayat	Inserting this proviso clarifies the extent of the powers of the Adhyaksha . Similar provision for ZPs in Chapter XI section 193	211

CHAPTER IX

Staff of Taluk Panchayat

Section	Existing law	Proposed law	Remarks	Page no
156	Powers and Duties of Executive Officer	The powers and expressly stated to be subject to the provisions of the Act and that the EO works under the overall supervision and control of the Taluk Panchayat. The powers are elaborated in Sub-sections (a) to (g)	This is to state out the powers of the EO in greater detail. It is also to clarify that the EO shall be responsible to the body as a whole. Similar section for ZP in section 197	212
156 A	New section	Expressly protecting independence of the EO in exercising powers conferred through statute	This clarifies to position. Thus body cannot interfere in appellate powers of EO etc. (See also 111 A and 197 A with respect to GPs and ZPs)	213

CHAPTER X
Zilla Panchayat

Section	Existing law	Proposed law	Remarks	Page no
159.	Constitution of Zilla Panchayat- Along with elected members, MLAs MPs and Taluk Panchayat Adhyakshas are also members	Proposed to remove ex-officio membership for members elected to other bodies	Consistent application of the principle that only those who are elected to a particular body of elected representatives can sit on it. (MPs don't become ex-officio members of State Assemblies)	214
160	Powers of Government to notify the number of elected members of ZP	Proposed to restore the power to the State Election Commission	This is to restore the position to that which existed prior to Amendment act no 8 of 2000. The vesting of these powers would give the process the aura of impartiality. (Corresponding changes in the case of TPs in section 121)	214
161	Powers of Government to determine number of elected members of ZPs	Proposed to restore the power to the State Election Commission	Same reason as above (Corresponding changes in the case of TPs in section 122)	214
162	Powers of Government to and reserve seats for elected ZP members	Proposed to restore the power to the State Election Commission	Same reason as above (Corresponding changes in the case of TPs in section 123)	214

Section	Existing law	Proposed law	Remarks	Page no
163	Powers of Government to delimit territorial constituencies of ZPs	Proposed to restore the power to the State Election Commission	Same reason as above (Corresponding changes in the case of TPs in section 124)	215
166 (1) (j)	Disqualification for members.-	No change proposed in subsections a to i. Sub-section j that speaks of not having a sanitary latrine as a reason for disqualification to be omitted along with proviso.	Similar reason for omitting this stipulation as in the case of GPs and TPs. in sections 12 (1) (j) and 128 (1) (j) respectively	216
166 (2)	Disqualification for members.-	New sub-sections j, k, l & m to be added providing for disqualification if election expenses account are not furnished.	This is to provide stringent duties for filing election expenses. Similar provisions in 12 and 128 (2) in the case of GPs and TPs. respectively	216
168	Vacation of seat by members.- Circumstances in which disqualifications operate are mentioned	No change proposed in sub-clauses 129(1) 'a' and 'b'. Sub-clause 'c' disallowing any member from a long absence from the Taluk changed along with proviso	More stringent duties imposed for Panchayat Members to ensure that they know the consequences of apathy to their duties. (Corresponding sections 13(1) & 129 for GPs and TPs respectively)	216

Section	Existing law	Proposed law	Remarks	Page no
168	Vacation of seat by members.- Circumstances in which disqualifications operate are mentioned	4 new clauses introduced to provide for seat vacation in case of proved corruption, proved mal-administration, waste or misapplication of Taluk Panchayat property	More stringent duties imposed for Panchayat Members to ensure that they know the consequences of misuse of power. (Corresponding sections 13(1) & 129(1) for GPs and TPs respectively)	216
172	Notification of members elected to ZPs in the Gazette by Government	Proposed to restore the power to the State Election Commission	Same reason as for sections 160 to 163 (Corresponding changes in the case of TPs in section 133)	217
175.	Removal of members for misconduct.- Provision for doing so with ZP opinion	A provision is made for obtaining a report from the Ombudsman.	This is consequential to the appointment of an Ombudsman, (Same provision as in section 13(1) regarding GPs and section 129 regarding TPs)	217
175 - A	New clause	Member to declare Assets	We propose to bring the same regime of transparency as is envisaged for elected member universally. (Similar sections 43 -B and 136 - A for GPs and TPs).	217

Section	Existing law	Proposed law	Remarks	Page no
177	Reservations of ZP Adhyakshas and Upadhyakshas by the Government	Proposed to restore the power to the State Election Commission	Same reason as in sections 160 to 163 and Section 172 (Corresponding changes in the case of TPs in section 138)	218
179. (4)	<i>Resignation or removal of Adhyaksha or Upadhyaksha.-</i>	Provision made for obtaining a report from the Ombudsman.	This is consequential to the appointment of an Ombudsman, (also see section 48 (4) for similar clause regarding GPs and section 140 (4) regarding TPs)	219
179 (6)	New Clause	Providing for social justice standing committee chairperson to perform functions of Adhyaksha in the absence of the Upadhyaksha	To take care of the vacuum (Corresponding sections 140(6) for TPs)	219
180 (2) (a)	Quorum and procedure.- One third quorum fixed	One third of those attending to be women	To bring home the importance of women attending meetings (please see Section 51. (c) for GPs and 141. 2 (c) for TPs)	219

Section	Existing law	Proposed law	Remarks	Page no
180 (2) (f)	Voting procedure described	Flexibility given to ZP to lay down detailed procedures for conduct of voting including what decisions will require secret ballot.	Flexibility will allow ZPs to devise locally applicable procedures not repugnant to the Act. (similar section for GPs in section 53. (3) and for TPs in section 141 2 (f))	220
180 (2) (g)	Clause restraining TP member from participating in discussions where they have a personal interest with the subject being discussed	Provision introduced casting a duty on ZP members to disclose to the ZP any conflict of interest	Strengthening of existing conflict of interest provision. (similar clause for GPs in 53 (4) and section 141 2 (g) for TPs	220
180 (6)	New clause regarding no confidence motion	Adhyaksha or Upadhyaksha cannot chair no-confidence motion against themselves. It is also clarified that no casting vote can be used in a No confidence motion	Sets out with greater clarity the process of no-confidence motion. Otherwise this has been a chronic grey area (Corresponding sections 141(6) for ZPs)	220

Section	Existing law	Proposed law	Remarks	Page no
180 (7)	New clause	New clause declaring collective responsibility of members towards ZP decisions	Important amendment declaring collective responsibility, so that members cannot absolve themselves of responsibility through abstaining from decisions. (similar clause for GPs in 54 (A) and section 141 (6) for TPs)	220

CHAPTER XI

Functions, Duties and Powers of Taluk Panchayat, Adhyaksha and Upadhyaksha

Section	Existing law	Proposed law	Remarks	Page no
193 (c).	Listing out the powers and functions of the Adhyaksha	New proviso that the Adhyaksha shall not call for files and records which are directly related to the exercise of independent statutory functions of the Secretary or another officer under the Zilla Panchayat	Inserting this proviso clarifies the extent of the powers of the Adhyaksha. Similar provision for TPs in Chapter IX section 152 (c)	221

CHAPTER XII

Staff of Zilla Panchayat

Section	Existing law	Proposed law	Remarks	Page no
197 (1)	Powers and Duties of Chief Executive Officer	The powers and expressly stated to be subject to the provisions of the Act and that the EO works under the	This is to state out the powers of the EO in greater detail. It is also to clarify that the CEO shall be responsible	221

		overall supervision and control of the Taluk Panchayat. The powers are elaborated in Sub-sections (a) to (g)	to the body as a whole. Similar section for TP in section 156	
197 A	New section	Expressly protecting independence of the CEO in exercising powers conferred through statute	This clarifies to position. Thus body cannot interfere in appellate powers of CEO etc. (See also 111A and 156 A with respect to GPs and ZPs)	223

CHAPTER XIII

Taxes and Fees

Sect ion	Existing law	Proposed law	Remarks	Page no
199.	<i>Stipulations laid down for levy of taxes, rates, etc. by Grama Panchayats.-</i>	The provision regarding setting of maximum levels of taxation through Schedule IV are removed.	The setting of maximum limits on taxation sends wrong signals. GPs should be empowered to set high levels of taxation on its citizens if they vote in favour of the same. GPs orders are always subject to judicial review. There is no need to set maximum limits.	223
202.	Composition of taxes in factory areas- ZP has the power to arbitrate.	Powers of ZP removed and vested in the Assistant Commissioner. Powers of notifying classes of cases where taxes can be set through agreement is vested in Government.	ZPs position of overseeing GP is removed. The power is vested in a quasijudicial forum, namely the AC, who has already been vested with the powers to hear appeals.	224

CHAPTER XIV**Levy of cesses, etc., and grant of financial assistance by Government**

Section	Existing law	Proposed law	Remarks	Page no
206.	Provision of Rs. 1 lakh grant to Grama Panchayats for maintenance, electricity charges etc.	Government to notify the grant amount from time to time.	Flexibility introduced, to take into account changing circumstances.	225

CHAPTER XV**Properties and funds of Panchayats**

Section	Existing law	Proposed law	Remarks	Page no
209	Grama Panchayat may acquire, hold and dispose off property, etc., but leasing for more than 5 years is with prior approval of TP	Prior approval of TP dispensed with	Once you say that the disposal of property is subject to the rules made by Government, then one does not need the additional TP approval for leasing land. This proviso can be deleted.	225
215	Taluk Panchayat may acquire, hold and dispose off property, etc., but leasing for more than 5 years is with prior approval of ZP	Prior approval of ZP dispensed with	Same reason as above	225
222	Zilla Panchayat may acquire, hold and dispose off property, etc., but leasing for more than 5 years is with prior approval of Government	Prior approval of Govt. dispensed with	Same reason as above.	226

CHAPTER XVI**Inspection, Supervision, etc.**

Section	Existing law	Proposed law	Remarks	Page no
	Name of the chapter; Inspection and Supervision	Changed to 'evaluation and monitoring'	Less 'supervisory' sounding	227
234 to 237	Detailed hierarchical inspection regime instituted	New sections 234 and 235 incorporating some elements of Section 234 to 237 introduced	Inspection regime providing for hierarchical supervision over tiers now removed. Powers now only to be used by CEO and the Government, with appropriate consultation with Ombudsman.	227

NEW CHAPTER XVI - A**OMBUDSMAN, RIGHT TO INFORMATION AND ACCOUNTABILITY**

Section	Existing law	Proposed law	Remarks	Page no
	None	Establishment, conditions of service, powers and procedures of Ombudsman		232
	None	Right to information sections stating out scope of the right, duties of PRI officials to disclose, what to disclose, procedures and penalties for non-disclosure.		240
	None	Relationship of officials and elected representatives to be governed by code of conduct		242
	None	Protection of statutory functions of officials		242

Section	Existing law	Proposed law	Remarks	Page no
	None	Citizens' charter to be published		242

CHAPTER XVII

Financial control and audit

Section	Existing law	Proposed law	Remarks	Page no
241 (2)	The budget as passed by the GP is to be sent to the TP for its examination.	Modified to substitute the sending to the TP by publication in the form and manner and before such date as prescribed by the Government.	The existing law prescribes a detailed hierarchical examination of budgets of each tier by the next higher tier. Budgets, like plans have to be informed to the people and PRIs are accountable to the people for them. Provisions such as these give powers without safeguards to higher tiers to sit in judgment over budgets of lower tiers. We believe that this is against the principles of decentralisation. We thus propose to remove such provisions and replace them with provisions that enjoin publication so that there is greater downward accountability.	243

Section	Existing law	Proposed law	Remarks	Page no
241 (3)	Describes what the GP ought to provide in the budget	One proviso to (a) and two new sub clauses (d and (e) added	These additional provisions enjoin upon the GP the duty to abide by certain canons of financial prudence such as providing adequate allocation for works, reducing scope for spillover works and preventing optimistic estimation of own revenues in order to justify taking up of new works.	243
241 (4)	Power given to TP to examine and make changes in budget of GP	Omitted	Please see remarks for section 241 (2)	243
241 (5)	Power given to TP to prepare budget of GP in case GP fails to prepare budget.	Omitted	Please see remarks for section 241 (2)	244
244.	GP is required to transmit its accounts to the ZP	Modified to provide for publication in place of transmission in the manner prescribed by the Government	Twin purposes achieved – right to information and independence from the ZP. There is a general principle here. In case we provide for publication as part of the right to information, then there is no need to separately keep the higher body informed.	244

Section	Existing law	Proposed law	Remarks	Page no
245.	Power to write off irrecoverable amounts restricted to upper limit of Rs. 1000/-. More than this requires TP approval.	Restrictions removed.	General principle of greater independence to GP. Moreover, other provisions make it mandatory for TP to seek approval of ZP in case it wants to write off more than Rs. 1000/-. If TP is not competent to write off Rs. 1000/- of its own dues, how can it acquire the competence to approve of GPs writing off the same amount!?	244
247 (2)	The budget as passed by the TP is to be sent to the ZP for its examination.	Modified to substitute the sending to the ZP by publication in the form and manner and before such date as prescribed by the Government.	Same explanation as in respect of Section 241(2)	244
247 (3)	Describes what the TP ought to provide in its budget	One proviso to (a) and two new sub clauses (d and (e) added	Same explanation as in Section 241 (3).	244
247 (4)	Power given to ZP to examine and make changes in budget of TP	Omitted	Please see remarks for section 241 (2)	245
247 (5)	Power given to ZP to prepare budget of TP in case TP fails to prepare budget.	Omitted	Please see remarks for section 241 (2)	245

Section	Existing law	Proposed law	Remarks	Page no
251.	TP is required to transmit its accounts to the ZP	Modified to provide for publication in place of transmission in the manner prescribed by the Government	Twin purposes achieved – right to information and independence from the ZP. Please see explanation for Section 244	245
252.	Power to write off irrecoverable amounts restricted to upper limit of Rs. 1000/-. More than this requires ZP approval.	Restrictions removed.	Please see explanation for Sec 245	246
256 (2)	The budget as passed by the ZP is to be sent to the Government for its examination.	Modified to substitute the sending to the ZP by publication in the form and manner and before such date as prescribed by the Government.	Same explanation as in respect of Section 241(2) and Section 247(2)	246
256 (3)	Describes what the ZP ought to provide in its budget	One proviso to (a) and two new sub clauses (d and (e) added	Same explanation as in Section 241 (3) and 247(3).	246
256 (4)	Power given to Government to examine and make changes in budget of ZP	Omitted	Please see remarks for section 241 (2) and 247 (4)	246
256 (5)	Power given to Government to prepare budget of ZP in case ZP fails to prepare budget.	Omitted	Please see remarks for section 241 (2) & 247 (5)	246

Section	Existing law	Proposed law	Remarks	Page no
261.	Power to write off irrecoverable amounts restricted to upper limit of Rs. 1000/-. More than this requires Government approval.	Restrictions removed.	Please see explanation for Sec 252	247

CHAPTER XVIII Miscellaneous

Section	Existing law	Proposed law	Remarks	Page no
268.	Dissolution of Panchayats.- (1) Power given to ZP on recommendation of TP to dissolve Grama Panchayat.	Modified to remove ZP's and TP's role in dissolving Grama Panchayats. Power reserved only to Government. Recommendation of Ombudsman also included as a criterion for considering dissolution of Grama Panchayat.	No other section expresses the current design of a hierarchy of tiers as this one. Therefore in order to consistently stick to the principle of independence of tiers within their spheres, the powers of dissolution is proposed to be vested in the Government alone.	247
308. A.	New Provision	Deeming officials drafted for election duty to be on deputation to the State Election Commission and working under its control and supervision during elections	As suggested by the State Election Commission – a clause to ensure greater independence of staff drafted for election duty	248

Section	Existing law	Proposed law	Remarks	Page no
309.	Preparation of development plan at each tier to be forwarded to the next tier, which will consolidate and send it upward.	Modified to provide for each PRI to forward its developmental plan directly to the DPC, as also publish it in the manner provided.	Intermediary roles of tiers removed. Once you have IT and other means of communication, you can easily dis-intermediate. Intermediate tiers can add no value to the developmental plan, which the DPC cannot directly provide.	248
310-A	State Panchayat Council	Provision made for TP and Grama Panchayat Adhyakshas also to be represented	Done with a view to broadbase representation to all PRI tiers.	248

AMENDMENTS SUGGESTED TO THE KARNATAKA PANCHAYAT RAJ ACT, 1993

CHAPTER I

2. Definitions.-

In this Act, unless the context otherwise requires,-

(16) "Grama Sabha" means a body consisting of persons registered in the electoral rolls ~~relating to a village comprised within the area of Grama Panchayat;~~

Insert at Section 2 (41) a definition of Vasathi Sabha as follows:

"Vasathi Sabha" means a body consisting of persons registered in the electoral rolls of each Panchayat Member's constituency coming within the Grama Panchayat."

Re-number sections 2(41) 2(42) and 2(43) as sections "2(42)", "2(43)" and "2(44)" respectively.

CHAPTER II

Vasathi Sabha and Grama Sabha

Existing section regarding Grama Sabha to be deleted and a new section 3. to be inserted as follows:

3. (1) (a) *Vasathi Sabha.- Each Vasathi Sabha in the Grama Panchayat shall meet at least once in three months."*

3.(1) (b) *Quorum for the conduct of Vasathi Sabhas:*

The quorum of a Vasathi Sabha shall be as prescribed by the Government from time to time;

"3.(1)(c) *Powers, functions, rights and responsibilities of a Vasathi Sabha:-*

A Vasathi Sabha shall, subject to the manner and procedure as may be prescribed, exercise powers and perform functions as hereinafter described, -

(a) *generating proposals and determining the priority of schemes and development programmes to be implemented in the area of the Vasathi Sabha and forward the same to the Grama Panchayat for inclusion in the developmental plans of the Panchayats;*

- (b) *identifying the most eligible persons from the area of Vasathi Sabha for beneficiary-oriented schemes on the basis of criteria fixed by the Panchayat or the Government, and preparing lists of eligible beneficiaries in an order of priority and forward the same to the Grama Panchayat for inclusion in the developmental plans of the Panchayats;*
- (c) *verifying the eligibility of persons getting various kinds of welfare assistance from Government such as pensions and subsidies;*
- (d) *getting information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting;*
- (e) *be informed by the Grama Panchayat of the rationale of every decision of the panchayat concerning the area of the Vasathi Sabha as may be prescribed in the Panchayat Jamabandi rules;*
- (f) *be informed by the Grama Panchayat of the follow up action taken on the decisions of the Vasathi Sabha as may be prescribed in the Vasathi Sabha Rules;*
- (g) *providing and mobilising voluntary labour and contributions in cash and kind for development programmes and supervising such development works through volunteer teams,*
- (h) *Resorting to persuasion of Vasathi Sabha members to pay taxes and repay loans;*
- (i) *suggesting the location of streetlights, street or community water taps, public wells, public sanitation units, irrigation facilities and such other public amenity schemes within the area of the Vasathi Sabha;*
- (j) *identifying the deficiencies in the water supply and street lighting arrangements in the Vasathi Sabha area and suggesting remedial measures;*
- (k) *imparting awareness on matters of public interest such as cleanliness, preservation of the environment and prevention of pollution;*
- (l) *co-operating with the employees of the Village Panchayat in the sanitation arrangements in the area and rendering voluntary service in the removal of garbage;*
- (m) *promoting the programme of adult education within the Vasathi Sabha area;*
- (n) *assisting the activities of public health centres in the area, especially in disease prevention and family welfare and creating arrangements to quickly report the incidence of epidemics and natural calamities;*

- (o) promoting harmony and unity among various groups of people in the area of the Vasathi Sabha and arranging cultural festivals and sports meets to give expression to the talents of the people of the locality;

and such other matters as may be prescribed from time to time.

- 3(1)(d) The procedure for convening and conducting the meetings of the Vasathi Sabha shall be such as may be prescribed.

- 3(1)(e) Every meeting of a Vasathi Sabha within the Grama Panchayat shall be presided over by the member elected from the concerned Vasathi Sabha and in his absence by any member of the Grama Panchayat.

- 3(1)(f) The officers of the Village Panchayat shall attend the meetings of the Vasathi Sabha as and an officer specifically nominated by the Panchayat as the co-ordinator of the Vasathi Sabha shall assist in convening and conducting its meetings, in recording its decisions in a minutes book and also in taking follow up action thereon.

- 3(1)(g) Resolutions may be passed on majority basis in the meetings of the Vasathi Sabha in respect of any issue coming under the jurisdiction of the Vasathi Sabha

- 3.(2)(a) **Grama Sabha.**- Each Grama Sabha in the Grama Panchayat shall meet at least once in three months.

Provided that the convenor of a Grama Sabha may convene an extraordinary meeting, if a request is made by not less than ten percent of the members of the Grama Sabha with items of agenda specified in such request.

3.(2)(b) Quorum for the conduct of Gram Sabhas:

The quorum of a Grama Sabha shall not be less than one-tenth of the total number of members of the Grama Sabha, or a hundred voters, whichever is lesser provided that there are at least ten members from each Vasathi Abhivruddhi Sabha within the Panchayat attending the meeting. Not less than fifty percent of the voters attending the Grama Sabha, shall be women. SCs and STs shall be represented in proportion to their population in the Gram Sabha."

3 (2)(c) Powers, functions, rights and responsibilities of a Grama Sabha:-

- (a) A Grama Sabha shall, subject to the manner and procedure as may be prescribed, exercise powers and perform functions as hereinafter described, -

- (b) generating proposals and determining the priority of schemes and development programmes to be implemented in the Grama Panchayat after obtaining and considering the recommendations and suggestions of the Vasathi Sabhas through the Grama Panchayat;

- (c) *identifying the most eligible persons from the area of Grama Sabha for beneficiary-oriented schemes on the basis of criteria fixed by the Panchayat or the Government, and preparing lists of eligible beneficiaries in an order of priority after considering the priority lists of individual beneficiaries sent by the Vasathi Sabhas;*
 - (d) *dissemination of information on development and welfare programmes and rendering assistance in effective implementation of development schemes by providing facilities locally available;*
 - (e) *providing feed-back on the performance of development programmes, including defects, if any, in the original programme and suggestions for improvement;*
 - (f) *rendering assistance to the panchayat in collection and compilation of details required for formulation of development plans, collecting essential socio-economic data and canvassing participation in health, literacy and similar development campaigns;*
 - (g) *getting information from the officials concerned as to the services they will render and the works they propose to do in the succeeding period of three months after the meeting;*
 - (h) *be informed by the Grama Panchayat of the rationale of every decision of the panchayat concerning the area of the Grama Sabha as may be prescribed in the Panchayat Jamabandi rules;*
 - (i) *be informed by the Grama Panchayat of the follow up action taken on the decisions of the Grama Sabha as may be prescribed in the Panchayat Jamabandi rules;*
 - (j) *providing and mobilising voluntary labour and contributions in cash and kind for development programmes and supervising such development works through volunteer teams,*
 - (k) *Resorting to persuasion of Grama Sabha members to pay taxes and repay loans;*
 - (l) *suggesting the location of streetlights, street or community water taps, public wells, public sanitation units, irrigation facilities and such other public amenity schemes after considering the suggestions of the Vasathi Sabhas;*
 - (m) *identifying the deficiencies in the water supply and street lighting arrangements in the area and suggesting remedial measures after considering the suggestions of the Vasathi Sabhas;*
 - (n) *imparting awareness on matters of public interest such as cleanliness, preservation of the environment and prevention of pollution;*
-

- (o) co-operating with the employees of the Village Panchayat in the sanitation arrangements in the area and rendering voluntary service in the removal of garbage;
- (p) promoting the programme of adult education within the village;
- (q) assisting the activities of school betterment sanghas in the area of the Grama Sabha;
- (r) assisting the activities of public health centres in the area, especially in disease prevention and family welfare and creating arrangements to quickly report the incidence of epidemics and natural calamities;
- (s) promoting harmony and unity among various groups of people in the area of the Grama Sabha and arranging cultural festivals and sports meets to give expression to the talents of the people of the locality;

and such other matters as may be prescribed from time to time.

3(2)(d) A Grama Sabha shall in its ordinary meeting or a special meeting convened for the purpose, discuss the budgetary provisions, the details of plan outlay and the subject-wise allocation of funds, as also the details of the estimate and cost of materials of the works executed or proposed to be executed in the area of the said Grama Sabha.

3. (2)(e) The annual statement of accounts of the preceding financial year, the last audit note and replies thereto and the panchayat jamabandi report and action taken thereto shall be placed for the consideration of the Grama Sabha in its meeting. The views, recommendations or suggestions of the Gram Sabha shall be communicated to the village Panchayat. The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Grama Sabha.

3.(2)(f) The procedure for convening and conducting the meetings of the grama Sabha shall be such as may be prescribed.

3.(2)(g) Every meeting of a Grama Sabha within the Grama Panchayat shall be presided over by the Adhyaksha of the concerned Grama Panchayat and in his absence by the Upadhyaksha or any member of the Grama Panchayat.

3.(2)(h) The officers of the Village Panchayat shall attend the meetings of the Grama Sabha as may be required by the Adhyaksha, and an officer specifically nominated by the Panchayat as the co-ordinator of the Grama Sabha shall assist in convening and conducting its meetings, in recording its decisions in a minutes book and also in taking follow up action thereon.

3.(2)(I) A Grama Sabha may appoint, elect or constitute sub-committees consisting of not less than ten members of whom not less than half shall be women and not less than one third shall be members belonging to the Scheduled Castes and

Scheduled Tribes, for in-depth discussion of issues and programmes for effective implementation of schemes, policies or decisions of the Gram Sabha and in furtherance of the rights and responsibilities of the Grama Sabha.

3.(2)(j) Resolutions may be passed on majority basis in the meetings of the Grama Sabha in respect of any issue coming under the jurisdiction of the Grama Sabha.

~~3. Grama Sabha. (1) Subject to the general orders of the Government, the Grama Sabha shall meet from time to time but six months shall not intervene between any two meetings. If the Grama Panchayat fails to convene Grama Sabha, the Executive Officer shall convene the Grama Sabha.~~

~~(2) The Grama Sabha shall consider the following matters and may make recommendations and suggestions to the Grama Panchayat:-~~

~~(a) the annual statement of accounts of the Grama Panchayat, the report of administration of the preceding financial year and the last audit note and replies, if any, made thereto;~~

~~(b) the report in respect of development programmes of the Grama Panchayat relating to the preceding year and development programmes proposed to be undertaken during the current year;~~

~~(c) the promotion of unity and harmony among all sections of society in the village;~~

~~(d) programme of adult education within the village; (e) such other matter as may be prescribed.~~

~~(3) The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Grama Sabha.~~

~~(4) The procedure for convening and conducting the meetings of the Grama Sabha shall be such as may be prescribed.~~

~~(5) Every meeting of the Grama Sabha shall be presided over by the Adhyaksha of the concerned Grama Panchayat and in his absence by the Upadhyaksha or any member of the Grama Panchayat.~~

~~(6) The Grama Sabha shall perform the following functions, namely:-~~

~~(a) mobilising voluntary labour and contributions in kind and cash for the community welfare programmes;~~

~~(b) identification of beneficiaries for the implementation of developmental schemes pertaining to the village;~~

~~Provided that in case the Grama Sabha fails to identify the beneficiaries within a reasonable time, the Executive Officer shall, in consultation with the Grama Panchayat, identify the beneficiaries;~~

~~(c) rendering assistance in the implementation of developmental schemes pertaining to the village.~~

CHAPTER III

Constitution of Grama Panchayats and Standing Committees

12. Disqualification for members.-

A person shall be disqualified for being chosen and for being a member of a Grama Panchayat,-

no change proposed in subsections a to i. No change proposed in 'k', except renumbering as 'j'

sub-section j to be omitted along with proviso.

~~Provided that in the case of a person who is a member on the date of commencement of the Kamataka Panchayat Raj (Third Amendment) Act, 1997, he shall incur disqualification under this clause if he fails to provide such a sanitary latrine within six months from such date, or;~~

New sub-section 'k', 'l' & 'm' to be added as follows;

(k) has failed to lodge an account of election expenses within the time and in the manner prescribed and has no sufficient reason or justification for such failure; or

(l) has submitted accounts which are not correct, or

(m) has incurred election expenses in excess of the limit prescribed;

Provided that the disqualification in clause (k), (l) and (m) will cease to operate after the expiry of five years from the date of such orders,

13. Vacation of seat by members.-

(l) If a member of a Grama Panchayat,-

(a) is or becomes subject to any of the disqualifications mentioned in Section 12; or

(b) votes or takes part in discussion in contravention of the provisions of sub-section (4) of Section 53; or

(no change proposed in clauses 'a' and 'b',)

(c) absents himself for more than three consecutive ordinary meetings of the Grama Panchayat without the leave of the Grama Panchayat ~~or is absent from the Panchayat area for more than four consecutive months;~~

his seat shall be deemed to be or to have become, as the case may be, vacant:

Provided that where an application is made by a member to the Grama Panchayat for leave to absent himself and the Grama Panchayat fails to inform the applicant of its decision on the application within a period of one month from the date of the application, the leave applied for shall be deemed to have been granted by the Grama Panchayat.

Provided further that no permission shall be granted by the Grama Panchayat to a member for being absent from its meetings for a period of six months from the date of the meeting last attended by such member.

New clauses 'd', 'e', 'f' & 'g' proposed to be introduced as follows:

(d) has been found guilty of corruption by a competent authority under any law in force.

(e) has been held by the Ombudsman constituted under this Act, to be personally liable, for any maladministration;

(f) has been found liable for loss, waste or misapplication of money or other property of the Panchayat,

(g) has failed, twice consecutively, to convene the meeting of the Vasathi Abhivruddhi Sabha, due once in three months and of which he the convenor.

(2) If any question arises as to whether a person is, or has become subject to disqualification under sub-section (1), the *State Election Commission* Assistant Commissioner may either *suo motu* or on a report made to him and after giving an opportunity to the person concerned of being heard, decide the question.

19. Grounds for declaring election to be void.-

new clause (e) to be added to sub-section (1)

(1) (e) that the returned candidate or his agents used the symbol of a recognised political party or printed names or pictorial representations of leaders of any political party on his election publicity material;

43-A. Removal of members for misconduct.-

~~The Government if it thinks fit, on the recommendation of the Grama Panchayat, or otherwise, Ombudsman may remove any member after giving him an opportunity of being heard and after such enquiry as it deems necessary if such member has been guilty of misconduct in the discharge of his duties or of any disgraceful conduct or has become incapable of performing his duties as a member.~~

New section 43 – B to be introduced as follows:

43 - B. Members to declare assets.-

(1) Every member shall within three months from the date of assuming his office, file a declaration of assets and interests in property of himself and the members of his family, in such manner and in such form as may be prescribed, before the competent authority as may be notified by the Government.

(2) Where a member, after filing a declaration under Sub-section (1), acquires or disposes any asset or interest in property, he shall file further declaration to this effect before the competent authority, within three months from the date of such acquisition or disposal as the case may be.

(3) Any member, who makes a declaration under Sub-section (1) or Sub-section (2) which is false and which he either knows or believes to be false or does not believe to be true, shall be liable to be proceeded against in accordance with, law, for filing such, false declaration.

4) Failure to file a declaration under Sub-section (1) or Sub-section (2) shall attract the provisions for disqualification of membership under Section 35''

48. Resignation or removal of Adhyaksha or Upadhyaksha.-

(4) Every Adhyaksha and Upadhyaksha of Grama Panchayat shall, after an opportunity is afforded for hearing him, and if necessary after obtaining a report from the **Ombudsman Taluk Panchayat** and considering the same be removable from his office as Adhyaksha or Upadhyaksha by the Government for being persistently remiss or guilty of misconduct in the discharge of his duties and an Adhyaksha or Upadhyaksha so removed who does not cease to be a member under sub-section (2) shall not be eligible for re-election as Adhyaksha or Upadhyaksha during the remaining term of office as member of such Grama Panchayat.

52. Meeting of the Grama Panchayat.-

(1) A Grama Panchayat shall meet for the transaction of business at least once in ~~two months~~ **a month** at the office of the Grama Panchayat and at such time as the Adhyaksha may determine.

(2) The Adhyaksha may, whenever he thinks fit, and shall, upon the written request of not less than one-third of the total number of members and on a date within fifteen days from the receipt of such request, call a special meeting.

(3) **Ten** ~~Seven~~ clear days notice of an ordinary meeting and **seven** ~~three~~ clear days notice of a special meeting specifying the place, date and time of such meeting and the business to be transacted there at, shall be given by the Secretary of the Grama Panchayat to the members and such officers as the Government may prescribe, and affixed on the notice board of the Grama Panchayat.

(4) The officers to whom notice is given under sub-section (3) and other Government officers having jurisdiction over the Panchayat area or any part thereof shall ~~be entitled to attend every meeting of the Grama Panchayat~~ and take part in the proceedings but shall not be entitled to vote.

(5) If the Adhyaksha fails to call a special meeting as provided in sub-section (2), the Upadhyaksha or one-third of the total number of members may call such a meeting for a

day not more than fifteen days after the presentation of such request and require the Secretary of the Grama Panchayat to give notice to the members and to take such action as may be necessary to convene the meeting.

53. Quorum and procedure.-

(1) The quorum for a meeting of the Grama Panchayat shall be one-third of the total number of members. ***At least one-third of the members attending the meeting shall be women members.*** If at the time appointed for the meeting a quorum is not present, the presiding authority shall wait for thirty minutes, and if within such period there is no quorum, the presiding authority shall adjourn the meeting to such time on the following day or such future day as he may fix. He shall similarly after waiting for thirty minutes adjourn the meeting if at any time after it has begun, attention is drawn to the want of a quorum. A notice of the meeting so fixed shall be pasted in the office of the Grama Panchayat. The business which could not be considered at the meeting so postponed for want of quorum, shall be brought before and disposed of at the meeting so fixed or at any subsequent adjourned meeting at which there is a quorum.

Provided that if any meeting called for the purpose of election of Adhyaksha or Upadhyaksha is adjourned to the following day or to a future day for want of quorum, it shall not be necessary to have a quorum for such adjourned meeting.

(2) Save as otherwise provided by or under this Act, at every meeting of Grama Panchayat, the Adhyaksha or in his absence the Upadhyaksha shall preside, and in the absence of both, the members present shall choose one from amongst themselves to preside for the occasion.

(3) All questions shall, unless otherwise specifically provided, be decided by a majority of votes of the members present and voting. The Adhyaksha or Upadhyaksha or person presiding, as the case may be, unless he refrains from voting shall give his vote before declaring the number of votes for and against a question and in the case of equality of votes he may give his casting vote. ***The Panchayat may lay down detailed procedures for conduct of voting not repugnant to this Act and rules made under it, prescribing the levels of majority that will be applicable for certain decisions or class of decisions, including decisions or class of decisions that would require a secret ballot.***

(4) No member of a Grama Panchayat shall vote on, or take part in the discussion of, any question coming up for consideration at a meeting of a Grama Panchayat, if the question is one in which, apart from its general application to the public, he has any pecuniary interest, and if the person presiding has such an interest, he shall not preside over the meeting when such question comes up for consideration.

New sub-section (4A) to be introduced

(4A) It shall be the duty of every member of a Grama Panchayat to disclose to the Grama Panchayat any pecuniary interest that he has, direct or indirect, in any question

coming up for consideration at a meeting of a Grama Panchayat. If it comes to the notice of the Grama Panchayat that such disclosure which ought to have been made was not made, such resolution made by the Grama Panchayat shall be considered invalid ab initio.

(5) If the person presiding is believed by any member present at the meeting to have any such pecuniary interest in any matter under discussion, and if a motion to that effect be carried, he shall not preside at the meeting during such discussion or vote on or take part in it. Any member of the Grama Panchayat may be chosen to preside at the meeting during the continuance of such discussion.

New sub-section (6) to be introduced

(6) Every member who was present at a meeting of the Panchayat and voted against any resolution being adopted by the Panchayat shall have the right to present to the Secretary a note of dissent regarding such resolution, within forty-eight hours of the conclusion of the meeting. Such note of dissent shall be specific.

(7) A sitting fee ~~of twenty rupees~~ per day of sitting shall be paid to each member for attending the meeting of the Grama Panchayat or any committee thereof *as may be prescribed by the Government from time to time.*

54. Minutes.-

(1) Minutes shall be kept of the proceedings at each meeting of the Grama Panchayat and of the names of the members voting respectively for or against any resolution, in a book to be provided for the purpose and after they are read over and agreed to, shall be signed by the Adhyaksha or Upadhyaksha or person presiding at such meeting and shall at all reasonable times be open to inspection by any member of the meeting. The minutes books shall always be kept in the office of the Grama Panchayat and shall be in the custody of the Secretary of the Grama Panchayat. *A copy of the proceedings shall be displayed on the notice board of the Grama Panchayat along with the details of the names of the members voting respectively for or against the resolutions decided upon in the said meeting and the notes of dissent.*

(2) A copy of every resolution passed by the Grama Panchayat shall within ten days from the date of meeting, be forwarded by the Secretary to the *Chief* Executive Officer *along with the notices or dissent if any received under Sub-Section (6).*

(3) *The Government or the officer authorised by the Government on receipt of the copy of the minutes and the notes of dissent shall examine such note of dissent and if he finds that the resolution or minutes to the dissent involves violation of the provisions of the Act, rules or guide lines or exceeds the powers conferred on the Grama Panchayat the Government or the officer authorised by the Government shall pass such orders or initiate such action as may be necessary within fifteen days from the*

date of the receipt of the notice of dissent under intimation to the member concerned and the Secretary.

(4) Where a note of dissent is received by the Secretary under sub-section (6) in respect of a resolution passed by the Grama Panchayat and if he considers that such resolution calls for reconsideration by reason of any illegality or injustice he may bring the matter to the notice of the Grama Panchayat at its next meeting and in such cases the Grama Panchayat may reconsider such resolution and modify, vary or cancel the resolution or uphold it for reasons to be recorded, or keep the resolution in abeyance till the decision under Sub-section (3) of the Government or officer authorised by the Government is received by the Grama Panchayat.

54(A). Collective Responsibility of the Members towards decisions of the Grama Panchayat.-

All members attending and voting on resolutions passed by the Grama Panchayat shall be collectively responsible for the consequences of such approval.

CHAPTER IV

Functions, Duties and Powers of Grama Panchayats, Adhyaksha and Upadhyaksha

58. Functions of the Grama Panchayat.-

(I) The Grama Panchayat shall perform the functions specified in Schedule I:

Provided that where the state Government or Central Government provide funds for the performance of any function specified in Schedule I, the Grama Panchayat shall perform such function in accordance with the guidelines or norms laid down for performing such function.

(I-A) Notwithstanding anything contained in sub-section (1) and Schedule I, it shall be obligatory on the part of a Grama Panchayat in so far as the Grama Panchayat fund at its disposal will allow, to make reasonable provision within the Panchayat area in regard to the following matters, namely :-

- (i) providing sanitary latrines to not less than ten per cent of the households every year and achieve full coverage as early as possible;
- (ii) constructing adequate number of community latrines for the use of men and women and maintaining them;
- (iii) maintaining water supply works either on its own or by annual contract by generating adequate resources;
- (iv) revising and collecting taxes, rates and fees periodically which are leviable under the Act;
- (v) ensuring universal enrollment of children in primary school;

- (vi) achieving universal immunisation of children;
- (vii) ensuring prompt registration and reporting of births and deaths;
- (viii) providing sanitation and proper drainage;
- (ix) construction, repair and maintenance of public streets;
- (x) removing encroachments on public streets or public places;
- (xi) providing adequate number of street lights and paying electricity charges regularly;
- (xii) filling-up insanitary depressions and reclaiming unhealthy localities;
- (xiii) destruction of rabid and ownerless dogs;
- (xiv) maintenance of all community assets vested in it;
- (xv) maintenance of records relating to population census, crop census, cattle census, census of unemployed persons and persons below poverty line;
- (xvi) earmarking places away from the dwelling houses for dumping refuse and manure.
- (xvii) *protecting the biodiversity in their area.***

(3) The Grama Panchayat may, by a resolution, passed at its meeting and supported by two-thirds of its total number of members ~~and with the prior approval of the Taluk Panchayat.~~

(a) make provision for or make contribution towards, any exhibition, conference or seminar within or outside the Panchayat area but within the district ***in furtherance of the functions specified in Section 58 of the Act;*** or

(b) make contribution to any medical, educational or charitable institutions or any other institutions of public utility, within the Panchayat area which are registered under the Karnataka Societies Registration Act, 1961, Karnataka Co-operative Societies Act, 1959 or under any other law for the time being in force.

61-B. Appointment of Joint Committees.-

~~(1) Two or more Grama Panchayats within a taluk may, for any specific purpose common to all of them, but not being a purpose specified under Section 61, by like resolution passed by each of them authorise the Taluk Panchayat concerned to appoint a Joint Committee for such purpose.~~

~~(2) Two or more Grama Panchayats comprised in two or more taluks within a district may, for any specific purpose common to all of them, but not being a purpose specified under Section 61, by like resolution passed by each of them authorise the Zilla Panchayat concerned to appoint a Joint Committee for such purpose.~~

~~(3) The Taluk Panchayat or the Zilla Panchayat concerned, may in terms of the joint resolutions passed by the constituent panchayats under sub-section (1) or sub-section (2), as the case may be, appoint a Joint Committee for the said purpose, consisting of such members as may be prescribed and may invest the Committee with such powers and functions as may be necessary or expedient for the fulfilment of the purpose for which it is appointed.~~

~~(4) A Committee appointed under sub-section (3) shall be competent to co-opt in such manner as may be prescribed, the residents of the Panchayat areas concerned.~~

~~(5) The procedure of the Committee shall be such as may be prescribed.~~

62. Powers and duties of the Adhyaksha and Upadhyaksha.-

(1) The Adhyaksha of the Grama Panchayat shall *be the executive head of the Grama Panchayat and* in addition to the powers exercisable under any other provision of this Act or rules made thereunder , -

(a) convene meetings of the Grama Panchayat;

(b) have access to the records of the Grama Panchayat; and

(c) exercise supervision and control over the acts of the officers and employees of the Grama Panchayat including the Secretary.

(d) to place under suspension any of the employee or officers under the control of the panchayat (other than the Secretary and the officers in the gazetted rank) pending disciplinary proceedings in pursuance of a resolution passed by the Grama Panchayat body to that effect;

(e) to call for records and files, and pass orders thereon in accordance with the provisions in the Act, rules and other standing orders in pursuance of a resolution passed by the Grama Panchayat body to that effect;

Provided that the Adhyaksha shall not call for the files and records which are directly related to the exercise of independent statutory functions of the Secretary or another officer under the Panchayat.

(2) The Adhyaksha may, if in his opinion the immediate execution of any work or the doing of any act which requires the sanction of a Committee or of the Grama Panchayat,

is necessary in public interest convene a meeting for the purpose with a notice of twenty four hours.

(3) The Upadhyaksha of the Grama Panchayat shall exercise the powers and perform the duties of the Adhyaksha when the Adhyaksha is absent, on leave or is incapacitated from functioning.

63. Power of Grama Panchayat as to roads, bridges, etc.-

All village roads and bridges thereon, cart tracks, drain, well and other public places in the Panchayat area not being private property and not being under the control or management of Zilla Panchayat, Taluk Panchayat, Municipal Council, Town Panchayat, Industrial Township, or the Government, shall vest in the Grama Panchayat and the Grama Panchayat may do all things necessary for the maintenance and repair thereof, and may ,-

- (a) lay-out and make new roads;
- (b) construct new bridges;
- (c) widen, open, enlarge or otherwise improve any such roads or bridges;
- (d) ~~with the previous sanction of the Taluk Panchayat~~ divert, discontinue or close any road or bridge; and
- (e) deepen or otherwise improve any water way:

Provided that no road or bridge shall be diverted, discontinued or closed before the Grama Panchayat publishes its intention of doing so and calls for objections ~~and obtains the approval of the Taluk Panchayat to which a copy of the resolution of the Grama Panchayat and the objections thereto shall be forwarded.~~

79. Appointment of Joint Committees.-

(1) Two or more Grama Panchayats within a taluk, or comprised in two or more taluks within a district, or a Grama Panchayat and one or more other local authority or statutory body may for any specific purpose common to all of them, or for any purpose in which they are jointly interested or for which they are jointly responsible, by like resolution passed by each of them appoint a Joint Committee for such purpose.

~~A Grama Panchayat may, and if so required by the Zilla Panchayat shall, join with one or more than one other local authority or statutory body for any purpose in which they are jointly interested or for any matter for which they are jointly responsible and may or shall constitute, as the case may be, a Joint Committee to be in charge of the work, the Adhyaksha of Taluk Panchayat shall be the Chairman of the Joint Committee.~~

(2) A Committee constituted under sub-sections (1) shall be competent to co-opt in such manner as may be prescribed, the residents of the Panchayat areas concerned.

(3) The Joint Committee may, include persons who are not members of the local authorities or statutory bodies concerned but who may in their opinion possess special qualifications or special interest for serving on such committee:

Provided that the number of such persons shall not exceed one-third of the total number of members of the joint committee.

~~(3) The constitution of a joint committee and its proceedings shall be governed by regulations made by the Zilla Panchayat.~~

(4) The procedure of the Committee shall be such as may be prescribed by regulations which may provide for the following matters, namely ,-

~~Without prejudice to the generality of the power to make regulations under sub-section (3), such regulations may provide for the following matters, namely:-~~

(a) the total number of members on the committee;

(b) the number of members to be appointed under sub-section (2) if any;

(c) the manner of election or appointment;

(d) the term of office;

(e) the power of the committee which shall not be in excess of the powers which can be exercised by the local authorities or statutory bodies concerned;

(f) the provision of funds to and the administration of funds by the Joint Committee;

(g) the procedure of the Joint Committee.

(h) the manner of selection of the chairperson of the joint committee

(5) The Joint Committee may be dissolved after serving the purpose for which it was constituted.

~~(6) The Zilla Panchayat may issue such direction as it thinks necessary in regard to the distribution of its assets and liabilities when the committee is dissolved.~~

CHAPTER V

Staff of Grama Panchayats

111. Secretary.-

(1) Every Grama Panchayat shall have a whole time Secretary who shall be an officer of the Government and shall draw his salary and allowance from the **appropriate Panchayat Raj Institution** ~~Zilla Panchayat~~ fund.

(2) The Secretary shall perform all the duties and exercise all the powers imposed or conferred upon him by or under this Act or any rules or bye-laws made thereunder.

Without prejudice to the general provisions under sub-section 2, the Secretary shall perform the following functions

(a) *place before the Standing Committee for Finance and General Administration the monthly accounts of the Grama Panchayat before the tenth day of succeeding month or on the first meeting in the succeeding month.*

(b) *prepare the annual accounts and the DCB statement for preceding financial year and place them before the Grama Panchayat before the thirtieth June of the next financial year.*

(c) *furnish returns, statement of accounts and such other information when called for by the Government or any audit authority.*

(d) *inspect or cause to be inspected the accounts of the institutions under the control of the Grama Panchayat*

(e) *keep records of the Grama Panchayat, standing committees, functional committees, other committees, Grama Sabha and Vasathi Abhivruddhi Sabha.*

(f) *co-ordinate the preparation of the annual plan and five-year plan so that the approved plan is submitted to the District Planning Committee within the time fixed by the Government.*

(g) *disburse Grama Panchayat and plan funds to the officers concerned and render utilisation certificate in the manner prescribed.*

111 (A) Exercise of statutory functions by the Secretary:

Where the Secretary is conferred with any statutory powers or functions to be independently and solely exercised by such officer, the Grama Panchayat, the Adhyaksha, the Upadhyaksha, the Chairman of any Standing Committee or any member shall not interfere or influence the exercise of such powers or functions by the Secretary.

113. Appointment and control of employees.-

(1) Subject to the provisions of Sections 111 and 112 the Grama Panchayat may, with the prior approval of the Chief Executive Officer appoint other employees of the Grama Panchayat and pay their salaries from the Grama Panchayat fund:

Provided that in making appointments the appointing authority shall reserve posts for the Scheduled Castes, the Scheduled Tribes and other socially and educationally backward classes of citizens in the same manner and to the same extent as is applicable for the recruitment to posts in the State Civil Services.

(2) The Secretary may, by order, fine, or withhold the increment of any employee appointed by the Grama Panchayat.

(3) The Grama Panchayat may reduce in rank, remove or dismiss any employee appointed by it.

(4) An appeal shall lie against an order passed by the Secretary under sub-section (2) to the Executive Officer and against an order passed by the Grama Panchayat under sub-section (3) to the Chief Executive Officer,

113- A. Arrangements for additional technical staff for Grama Panchayats.-

(1) The Government may if required pool the staff from other departments, including engineering or technical staff of Government Departments and make their services available to one or more Grama Panchayats by allotment or transfer;

Provided that if there is dearth of staff for allotment from Government departments, Grama Panchayats in the exigencies of service may engage the services of technical staff including engineers from outside Government service for specific work, on terms and conditions as may be specified by Government in this regard.

(2) The officers and employees transferred to a Grama Panchayat under Sub-section (1) shall perform functions and discharge duties as if they are officers and employees of that Grama Panchayat and they shall attend to, in addition to their normal duties; any other duty assigned to them by the Grama Panchayat subject to the guidelines, if any issued by the Government.

(3) The officers and employees transferred to a Grama Panchayat under Sub-section (1) shall be duty bound to execute works, perform functions or discharge duties involving implementation of any scheme, project or plan of the Government, not assigned or delegated to the Grama Panchayat under this Act or any other law.

(4) The Government shall continue to pay the salary, allowances and other dues to employees and officers transferred to the Grama Panchayat from Government, till such time as the Government finds that such expenses can be met by the Grama Panchayat concerned.

CHAPTER VI

Conversion of a smaller urban area or a transitional area and Amalgamation

No amendments suggested.

CHAPTER VII

Constitution of Taluk Panchayat

120. Constitution of Taluk Panchayat-

(1) Every Taluk Panchayat shall consist of

(i) the elected members as determined under Section 121;

~~(ii) the members of the House of People and the State Legislative Assembly representing a part or whole of the Taluk, whose constituencies lie within the Taluk;~~

~~(iii) the members of the Council of States and the State Legislative Council who are registered as electors within the Taluk; and~~

~~(iv) one-fifth of the Adhyakshas of the Grama Panchayats in the Taluk by rotation for a period of one year as the Adhyaksha of the Taluk Panchayat may determine by lot;~~

~~(2) The members of the House of people, the State Legislative Assembly, the Council of States and the Legislative Council and the Adhyaksha of Grama Panchayats referred to in clauses (ii), (iii) and (iv) of sub-section (1) shall be entitled to take part in the proceedings of, and vote at, the meetings of Taluk Panchayat except at a special meeting convened for the purpose of election of Adhyakshas and Upadhyakshas under sub-section (1) of Section 138 or for considering a no confidence motion under sub-section (3) of Section 140.~~

121. Elected members.-

The number of elected members of a Taluk Panchayat shall consist of persons elected from the territorial constituencies in the taluk as may be notified from time to time by the Government *State Election Commission* at the rate of one member for every ten thousand population or part thereof, of the taluk:

Provided that in taluks having a population of not exceeding one lakh, there shall be a minimum of eleven elected members.

122. Determination of elected members after each census.

Upon the publication of the figures of each census, the number of elected members of a Taluk Panchayat shall be determined by the ~~Government~~*State Election Commission* on the basis of the population of the Taluk as ascertained at that census:

Provided that the determination of the number as aforesaid shall not affect the then composition of the Taluk Panchayat until the expiry of the term of office of the elected members then in office.

123. Reservation of seats.

(1) Seats shall be reserved by the ~~Government~~*State Election Commission* in a Taluk Panchayat,-

- (a) for the Scheduled Castes; and
- (b) for the Scheduled Tribes; -

and the number of seats so reserved shall bear as nearly as may be, the same proportion to the total number of seats to be filled by direct election in the Taluk Panchayat as the population of the Scheduled Castes in the Taluk or of the Scheduled Tribes in the taluk bears to the total population of the taluk.

(2) Such number of seats which shall, as nearly as may be one- third of the total number of seats in a Taluk Panchayat shall be reserved by the ~~Government~~*State Election Commission* for persons belonging to the Backward Classes:

provided that out of the seats reserved under this sub-section eighty percent of the total number of such seats shall be reserved by the ~~Government~~*State Election Commission* for the persons falling under category , A ' and the remaining twenty per cent of the seats shall be reserved by the ~~Government~~*State Election Commission* for the persons falling under category 'B'.

(3) Not less than one-third of the seats reserved for each category of persons belonging to the Scheduled Castes, Scheduled Tribes and Backward Classes and those of the non-reserved seats in a Taluk Panchayat shall be reserved by the ~~Government~~*State Election Commission* for women:

Provided that the seats reserved under sub-sections (1), (2) and (3) shall be allotted by rotation to different constituencies in the taluk:

Provided further that nothing contained in this section shall be deemed to prevent the persons belonging to the Scheduled Castes or Scheduled Tribes or Backward Classes or Women for whom seats have been reserved in a Taluk Panchayat from standing for election to the non-reserved seats in such Taluk Panchayat.

124. Delimitation of territorial constituencies.

Subject to the general or special order of the State Election Commission, the Deputy Commissioner shall, by notification,-

- (a) divide the area within the jurisdiction of every Taluk Panchayat for the purpose of elections to such Taluk Panchayat into as many single member territorial constituencies as the number of members required to be elected under Section 122;
- (b) determine the extent of each territorial constituency; and
- (c) determine the territorial constituency or constituencies in which seats are reserved for the Scheduled Castes, Scheduled Tribes, Backward Classes and Women.

128. Disqualification for members.-

no change in sub-section 1, 'a' to 'I' and 'k'

~~(j) if he does not have a sanitary latrine for the use of the members of his family;~~

~~Provided that in the case of a person who is a member on the date of commencement of the Kamataka Panchayat Raj (Third Amendment) Act, 1997, he shall incur disqualification under this clause if he fails to provide such a sanitary latrine within six months from such date.~~

New sub-section 'k', 'l' & 'm' to be added as follows;

(k) has failed to lodge an account of election expenses within the time and in the manner prescribed and has no sufficient reason or justification for such failure; or

(l) has submitted accounts which are not correct, or

(m) has incurred election expenses in excess of the limit prescribed;

Provided that the disqualification in clause (k), (l) and (m) will cease to operate after the expiry of five years from the date of such orders,

129. Vacancy of seat.-

(1) If any member of a Taluk Panchayat,-

- (a) is or becomes subject to any of the disqualification specified in Section 128; or
- (b) votes or takes part as a member in the discussion of any matter in which he has directly or indirectly any such share or interest as is described in sub-clause (i) or (ii) of clause (d) of the proviso to sub-section (1) of Section 128; or
- (c) votes on or takes part in the discussion of any question in contravention of the provision of clause (g) of sub-section (2) of Section 141; or

(d) being an elected member absents himself, for more than three consecutive ordinary meetings of the Taluk Panchayat unless leave so to absent himself, which shall not exceed six months, had been granted by the Taluk Panchayat ~~or absents from the taluk for more than four consecutive months:~~

his seat shall be deemed to be or to have become, as the case may be, vacant:

Provided that where an application is made by a member to the Taluk Panchayat for leave to absent himself under clause (d) and the Taluk Panchayat fails to inform the applicant of its decision on the application within a period of one month from the date of the application the leave applied for shall be deemed to have been granted by the Taluk Panchayat.

Provided further that no permission shall be granted by the Taluk Panchayat to a member for being absent from its meetings for a period of six months from the date of the meeting last attended by such member.

(e) has been found guilty of corruption by a competent authority under any law in force.

(f) has been held by the Ombudsman constituted, under this Act, to be personally liable, for any maladministration;

(g) has been found liable for loss, waste or misapplication of money or other property of the Panchayat,

(2) The State Election Commission on a report made to him and after giving a reasonable opportunity to the member concerned of being heard shall declare whether the seat of the member concerned is or has become vacant.

133. Publication of names of members

The names of members elected to any Taluk Panchayat shall be ~~reported to the Commissioner who shall notify the names~~ ***notified by the State Election Commission*** in the Official Gazette.

136. Removal of members for misconduct.-

The Government ~~if it thinks fit~~ on the recommendation of the ~~Taluk Panchayat~~ ***Ombudsman*** ~~or otherwise and if necessary after obtaining a report from the Zilla Panchayat and considering the same,~~ may remove any member after giving him an opportunity of being heard and after such enquiry as it deems necessary if such member has been guilty of misconduct in the discharge of his duties or of any disgraceful conduct or has become incapable of performing his duties as a member.

New section 136 – A to be introduced as follows:

136 - A. Members to declare assets.-

(1) Every member shall within three months from the date of assuming his office, file a declaration of assets and interests in property of himself and the members of his family, in such manner and in such form as may be prescribed, before the competent authority as may be notified by the Government.

(2) Where a member, after filing a declaration under Sub-section (1), acquires or disposes any asset or interest in property, he shall file further declaration to this effect before the competent authority, within three months from the date of such acquisition or disposal as the case may be.

(3) Any member, who makes a declaration under Sub-section (1) or Sub-section (2) which is false and which he either knows or believes to be false or does not believe to be true, shall be liable to be proceeded against in accordance with, law, for filing such, false declaration.

4) Failure to file a declaration under Sub-section (1) or Sub-section (2) shall attract the provisions for disqualification of membership under Section 128

140. Resignation or removal of Adhyaksha and Upadhyaksha.-
no changes proposed in (1) to (3)

*(4) Every Adhyaksha and Upadhyaksha of the Taluk Panchayat shall, after an opportunity is afforded for hearing him, and if necessary after obtaining a report from the **Ombudsman** Zilla Panchayat and considering the same be removable from his office as Adhyaksha or Upadhyaksha by the Government for misconduct in the discharge of his duties, for being persistently remiss in the discharge of his duties and an Adhyaksha or Upadhyaksha so removed who does not cease to be a member under sub-section (2) shall not be eligible for re-election as Adhyaksha or Upadhyaksha during the remaining term of office as member of such Taluk Panchayat.*

No change proposed in sub-section (5)

(6) If for any reason where both the offices of Adhyaksha and Upadhyaksha are vacant, the Chairman of the Standing Committee on Social Justice shall exercise the functions of the Adhyaksha, until a new Adhyaksha or Updhyaksha assumes office.

138. Election of Adhyaksha and Upadhyaksha and term of office.-

(I) The elected members of the Taluk Panchayat referred to in clause (i) of sub-section (1) of Section 120 shall [within one month from the date of publication of names of members under Section 133] after every general election of Members of Taluk Panchayat or on its reconstitution or establishment under this Act or immediately before the expiry of term of office of Adhyaksha and Upadhyaksha choose two members from amongst them to be respectively Adhyaksha and Upadhyaksha thereof, and so often as there is a casual vacancy in the office of Adhyaksha and Upadhyaksha they shall choose another

member from amongst them to be Adhyaksha or Upadhyaksha, as the case may be: provided that no election shall be held if the vacancy is for a period of less than one month.

(2) There shall be reserved by the ~~Government~~ *State Election Commission*, in the prescribed manner,-

a. such number of offices of Adhyaksha and Upadhyaksha of Taluk Panchayats in the State for the persons belonging to the Scheduled Castes and Scheduled Tribes and the number of such offices bearing as nearly as may be the same proportion to the total number of offices in the State as the population of the Scheduled Castes in the State or of the Scheduled Tribes in the State bears to the total population of the State;

b. such number of offices of Adhyaksha and Upadhyaksha of Taluk Panchayat which shall as nearly as may be one-third of the total number of offices of the Adhyaksha and Upadhyaksha in the State, for the persons belonging to the Backward Classes:

c. provided that out of the offices reserved under this clause, eighty percent of the total number of such offices shall be reserved for the persons falling under category I A' and the remaining twenty per cent of the offices shall be reserved for the persons falling under category 'B':

Provided further that if no person falling under category I A' is available, the offices reserved for that category shall also be filled by the persons falling under category 'B' and vice versa;

d. not less than one-third of the total number of offices of Adhyaksha and Upadhyaksha of the Taluk Panchayats in the State from each of the categories reserved for persons belonging to the Scheduled Castes, Scheduled Tribes and Backward Classes and those which are non-reserved, for women:

Provided that the offices reserved under this sub-section shall be allotted by rotation to different Taluk Panchayats;

Explanation.-For the removal of doubts it is hereby declared that the principle of rotation for the purposes of reservation of offices under this sub-section shall commence from the first election to be held after the commencement of the Karnataka Panchayat Raj Act, 1993.

(3) The term of office of every Adhyaksha and every Upadhyaksha of Taluk panchayat shall, save as otherwise provided in the Act, be twenty months from the date of his election or till he ceases to be a Member of Taluk Panchayat, whichever is earlier.

provided that the member who is elected as Adhyaksha or Upadhyaksha to fill the casual vacancy in the office of Adhyaksha or Upadhyaksha shall hold office for the remainder of the period for which the Adhyaksha or Upadhyaksha in whose place he has been elected would have held office if the vacancy had not occurred.

(4) The election of Adhyaksha and Upadhyaksha filling of vacancies in the said offices and determination of disputes relating such election shall be in accordance with such rules as may be prescribed:

provided that the Civil Judge (Senior Division) having jurisdiction, shall determine such election dispute.

141. Meetings of Taluk Panchayat

2 (c) One-third of the total number of members of the Taluk Panchayat shall form a quorum for transacting business at a meeting of the Taluk Panchayat. ***At least one-third of the members attending the meeting shall be women members.*** If at the time appointed for the meeting a quorum is not present, the person presiding shall wait for thirty minutes and if within such period there is a quorum, proceed with the meeting; but if within such period, there is no quorum, the person presiding shall adjourn the meeting to such hour on some future day as he may fix. He shall similarly adjourn the meeting at any time after it has begun if his attention is drawn to the want of a quorum. At such adjourned meetings at which there is quorum the business which would have been brought before the original meeting shall be transacted;

(f) All questions shall, unless otherwise specially provided be decided by a majority of votes of the members present and voting. The presiding member, unless he refrains from voting, shall give vote before declaring the number of votes, he may give his casting vote; ***The Taluk Panchayat may lay down detailed procedures for conduct of voting not repugnant to this Act and rules made under it, prescribing the levels of majority that will be applicable for certain decisions or class of decisions, including decisions or class of decisions that would require a secret ballot.***

(g) No member of a Taluk Panchayat shall vote on, or take part in the discussion of, any question coming up for consideration at a meeting of the Taluk Panchayat or any committee, if the question is one in which apart from its general application to the public he has any direct pecuniary interest. ***It shall be the duty of every member of a Taluk Panchayat to disclose to the Taluk Panchayat any pecuniary interest that he has, direct or indirect, in any question coming up for consideration at a meeting of a Taluk Panchayat.***

(h) ***If the person presiding is believed by any member present at the meeting to have any such pecuniary interest in any matter under discussion, and if a motion to that effect be carried, he shall not preside at the meeting during such discussion, or vote on; or take part in it. Any member of the Taluk Panchayat may be chosen to preside at the meeting during the continuance of such discussion;***

No change in sub-clauses 'I', 'g' and 'k'

No change in sub-sections 3, 4, & 5.

141 (6) Notwithstanding anything contained in clause 141(2) (f), the following provisions shall apply to no-confidence motions.

(a) a meeting convened to consider a no-confidence motion shall be presided by

(i) the Adhyaksha, if the motion is against the Upadhyaksha;

(ii) the Upadhyaksha, if the motion is against the Adhyaksha;

(iii) in cases where a combined no-confidence motion is brought against both the Adhyaksha and the Upadhyaksha, by a member elected by the elected members present at the meeting from among themselves.

(b) the process of voting in a no-confidence motion shall be by means of open vote using ballot paper in which each member participating in the voting shall record under his signature whether he supports the motion or not.

(c) the presiding member shall be entitled to vote thereon without the right to exercise a casting or a second vote.

141 (7). Collective Responsibility of the Members towards decisions of the Taluk Panchayat.-

All members attending and voting on resolutions passed by the Taluk Panchayat shall be collectively responsible for the consequences of such approval.

CHAPTER VIII

Functions, Duties and Powers of Taluk Panchayat, Adhyaksha and Upadhyaksha

152. Powers and duties of the Adhyaksha.-

The Adhyaksha shall be the executive head of the Taluk Panchayat and shall,-

- a. convene, preside at and conduct meetings of the Taluk Panchayat;
- b. discharge all duties imposed and exercise all the powers conferred on him under this Act and the rules made there under and perform such functions entrusted to him by the Government from time to time;
- c. exercise overall supervision over the financial and executive administration of the Taluk Panchayat and place before the Taluk Panchayat all questions connected therewith which shall appear to him to require its orders and for this purpose may call for records of Taluk Panchayat; and

Provided that the Adhyaksha shall not call for files and records which are directly related to the exercise of independent statutory functions of the Secretary or another officer under the Taluk Panchayat, and

- d. have power to accord sanction up to a total sum of twenty-five thousand rupees in a year for the purpose of providing immediate relief to those who are affected by the natural calamities in the taluk

Provided that the Adhyaksha shall place at the next meeting of the Taluk Panchayat for its ratification, the details of such sanctions.

CHAPTER IX

Staff of Taluk Panchayat

156. Functions of the Executive Officer and other officers and officials.-

(1) Subject to the provisions of this Act and the general powers of the Adhyaksha under Section 152, the Executive Officer *shall work under the overall supervision and control of the Taluk Panchayat* and perform the following functions .-

- (a) exercise all the powers specifically imposed or conferred upon him by or under this Act or under any other law for the time being in force;
- (b) control the officers and officials of, or holding office under, the Taluk Panchayat subject to the general superintendence and control of the Adhyaksha and such rules as may be prescribed;
- (c) supervise and control the execution of all works of the Taluk Panchayat;
- (d) take necessary measures for the speedy execution of all works and developmental schemes of the Taluk Panchayat;
- (e) have custody of all papers and documents connected with the proceedings of the meetings of the Taluk Panchayat and of its Committees;
- (f) draw and disburse monies out of the Taluk Panchayat fund; and
- (g) exercise such other powers and discharge such other functions as may be prescribed.

Without prejudice to the general provisions under sub-section 2, the Executive Officer shall perform the following functions

- (a) *place before the Standing Committee for Finance and General Administration the monthly accounts of the Taluk Panchayat before the tenth day of succeeding month or on the first meeting in the succeeding month.*
- (b) *prepare the annual accounts and the DCB statement for preceding financial year and place them before the Taluk Panchayat before the thirtieth June of the next financial year.*

(c) furnish returns, statement of accounts and such other information when called for by the Government or any audit authority.

(d) inspect or cause to be inspected the accounts of the institutions under the control of the Taluk Panchayat

(e) keep records of the Taluk Panchayat, standing committees, functional committees and other committees;

(f) co-ordinate the preparation of the annual plan and five-year plan so that the approved plan is submitted to the District Planning Committee within the time fixed by the Government.

(g) disburse Taluk Panchayat and plan funds to the officers concerned and render utilisation certificate in the manner prescribed.

(2) The Executive Officer shall attend every meeting of the Taluk Panchayat and shall have the right to attend the meeting of any Committee thereof and to take part in the discussion but shall not have the right to move any resolution or to vote. If in the opinion of the Executive Officer any proposal or resolution before the Taluk Panchayat or any Committee or any order of the Adhyaksha is violative of, or inconsistent with the provisions of this Act, or any other law or rule or order made thereunder or any financial regulation or budget provision or is in derogation of the function and powers of the Taluk Panchayat or its committee or the Adhyaksha, it shall be the duty of the Executive Officer to advise the Taluk Panchayat or the committee or the Adhyaksha in the form of a written note containing the reasons for his opinion and specifying the law, rule, order, regulation or provision with which the proposal or resolution or order is inconsistent and if the proposal or resolution or order has been considered and passed by the Taluk Panchayat or the committee or the Adhyaksha before such advise is tendered, the Executive Officer may resubmit the proposal or resolution or order with his advice after such examination as he considers necessary .

(3) If the Taluk Panchayat or any of its committees or the Adhyaksha passes the resolution or order without resolving the inconsistency referred to in sub-section (2) it shall be the duty of the Executive Officer, notwithstanding any other provisions in this Act, to forward forthwith to the Chief Executive Officer under intimation to the Adhyaksha a copy of the said resolution or order along with his written note.

156 (A) Exercise of statutory functions by the Executive Officer:

Where the Executive Officer is conferred with any statutory powers or functions to be independently and solely exercised by such officer, the Taluk Panchayat, the Adhyaksha, the Upadhyaksha, the Chairman of any Standing Committee or any member shall not interfere or influence the exercise of such powers or functions by the Executive Officer.

CHAPTER X

Zilla Panchayat; Constitution of Zilla Panchayat

159. Constitution of Zilla Panchayat.-(1) Every Zilla Panchayat shall consist of -

(i) the elected members as determined under Section 160;

(ii) the members of the House of People and the members of the State Legislative Assembly representing a part or whole of the district whose constituencies lie within the district;

(iii) the members of the Council of State and the members of the State Legislative Council who are registered as electors within the district; and

(iv) the Adhyakshas of Taluk Panchayats in the district.

160. Elected Members.-

The elected members of a Zilla Panchayat shall consist of persons elected from taluks in the District, the number of members to be elected from each taluk being fixed by the ~~Government~~ **State Election Commission** in accordance with the scale of one member for forty thousand or part thereof of the population:

Provided that in the case of Uttara Kannada and Chickmagalur districts, it shall be one member for thirty thousand or part thereof of the population and in the case of Kodagu district, it shall be one member for eighteen thousand or part thereof of the population.

161. Determination of elected members after census.-

Upon the publication of the figures of each census, the number of elected members of a Zilla Panchayat shall be determined by the ~~Government~~ **State Election Commission** on the basis of the population of the district as ascertained at that census:

Provided that the determination of the number as aforesaid shall not affect the then composition of the Zilla Panchayat until the expiry of the term of office of the elected members then in office.

162. Reservation of seats.-

1) Seats shall be reserved by the ~~Government~~ **State Election Commission** in the Zilla Panchayat,-

a) for the Scheduled Castes; and

(b) for the Scheduled Tribes;

and number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in the Zilla Panchayat as the population of the Scheduled Castes in the district or of the Scheduled Tribes in the district bears to the total population of the district:

(2) Such number of seats which shall, as nearly as may be one- third of the total number of seats in a Zilla Panchayat shall be reserved by the ~~Government~~*State Election Commission* for persons belonging to the Backward Classes:

provided that out of the seats reserved under this sub-section, eighty per cent of the total number of such seats shall be reserved by the ~~Government~~*State Election Commission* for the persons falling under category , A ' and the remaining twenty per cent of the seats shall be reserved by the ~~Government~~*State Election Commission* for the persons falling under category 'B'.

(3) Not less than one third of the seats reserved for each category of persons belonging to Scheduled Castes, Scheduled Tribes and Backward Classes and those of the non-reserved seats in a Zilla Panchayat shall be reserved by the ~~Government~~*State Election Commission* for women:

Provided that the seat reserved under sub-sections (1), (2) and (3) shall be allotted by rotation to different constituencies in the district:

Provided further that nothing contained in this section shall be deemed to prevent the persons belonging to the Scheduled Castes or Scheduled Tribes or Backward Classes or Women for whom seats have been reserved in a Zilla Panchayat from standing for election to the non-reserved seat in such Zilla Panchayat.

163. Delimitation of territorial constituencies.-

Subject to general or special orders of the State Election Commission, the Deputy Commissioner shall, by notification.-

(a) divide the area within the jurisdiction of every Zilla Panchayat, for the purpose of election to such Zilla Panchayat into as many single member territorial constituencies as the number of members required to be elected under Section 160;

(b) determine the extent of each territorial constituency which shall be a taluk or part of a taluk; and

(c) determine the territorial constituency or constituencies in which seats are reserved for the persons belonging to the Scheduled Castes, Scheduled Tribes, Backward Classes and for women.

166. Qualifications of a candidate.-

(1) (j) if he does not have a sanitary latrine for the use of the members of his family: ~~Provided that in the case of a person who is a member on the date of commencement of the Kamataka Panchayat Raj (Third Amendment) Act, 1997, he shall incur disqualification under this clause if he fails to provide such a sanitary latrine within six months from such date, or:~~

New sub-section 'k', 'l' & 'm' to be added as follows;

(k) has failed to lodge an account of election expenses within the time and in the manner prescribed and has no sufficient reason or justification for such failure; or

(l) has submitted accounts which are not correct, or

(m) has incurred election expenses in excess of the limit prescribed;

Provided that the disqualification in clause (k), (l) and (m) will cease to operate after the expiry of five years from the date of such orders,

168. Vacancy of seat-

(1) If any member of a Zilla Panchayat,-

(a) is or becomes subject to any of the disqualification specified in Section 167; or

(b) votes or takes part as a member in the discussion of any matter in which he has directly or indirectly any such share or interest as is described in sub-clause (i) or (ii) of clause (d) of the proviso to sub-section (1) of Section 167; or

(c) votes on or takes part in the discussion of any question in contravention of the provision of clause (g) of sub-section (2) of Section 180; or

(d) being an elected member, absents himself, for more than three consecutive ordinary meetings of the Zilla Panchayat unless leave so to absent himself, which shall not exceed six months, had been granted by the Zilla Panchayat, ~~or absents himself from the District for over four consecutive months,~~ his seat shall be deemed to be or to have become, as the case may be, vacant:

Provided that where an application is made by a member to the Zilla Panchayat for leave to absent himself under clause (d) and the Zilla Panchayat fails to inform the applicant of its decision on the application within a period of one month from the date of the application the leave applied for shall be deemed to have been granted by the Zilla Panchayat.

Provided further that no permission shall be granted by the panchayat to a member for being absent from its meetings for a period of six months from the date of the meeting last attended by such member.

(e) has been found guilty of corruption by a competent authority under any law in force.

(f) has been held by the Ombudsman constituted, under this Act, to be personally liable, for any maladministration;

(g) has been found liable for loss, waste or misapplication of money or other property of the Zilla Panchayat,

(2) The State Election Commission on a report made to it and after giving a reasonable opportunity to the person concerned of being heard shall declare whether the seat of the person concerned is or has become vacant.

172. Publication of names of members. –

The names of members elected to any Zilla Panchayat shall be ~~reported to the Government which shall notify the names~~ *notified by the State Election Commission* in the Official Gazette.

175. Removal of members for misconduct.-

The Government ~~if it thinks fit~~ on the recommendation of the *Ombudsman Zilla Panchayat* may remove any member after giving him an opportunity of being heard and after such enquiry as it deems necessary if such member has been guilty of misconduct, in the discharge of his duties or of any disgraceful conduct, or has become incapable of performing his duties as a member.

New section 175 – A to be introduced as follows:

175 - A. Members to declare assets.-

(1) Every member shall within three months from the date of assuming his office, file a declaration of assets and interests in property of himself and the members of his family, in such manner and in such form as may be prescribed, before the competent authority as may be notified by the Government.

(2) Where a member, after filing a declaration under Sub-section (1), acquires or disposes any asset or interest in property, he shall file further declaration to this effect before the competent authority, within three months from the date of such acquisition or disposal as the case may be.

(3) Any member, who makes a declaration under Sub-section (1) or Sub-section (2) which is false and which he either knows or believes to be false or does not believe to be true, shall be liable to be proceeded against in accordance with, law, for filing such, false declaration.

4) Failure to file a declaration under Sub-section (1) or Sub-section (2) shall attract the provisions for disqualification of membership under Section 166.

177. Election of Adhyaksha, Upadhyaksha and term of office.-

(I) The elected members of the Zilla Panchayat referred to in clause (1) of sub-section (1) of Section 159, shall within one month from the date of publication of names of members under Section 172 after every general election of Members of Zilla Panchayat or on its reconstitution or establishment under this Act or immediately before the expiry of term of office of Adhyaksha and Upadhyaksha] choose two members from amongst them to be respectively Adhyaksha and Upadhyaksha thereof and so often as there is a casual vacancy in the office of the Adhyaksha or Upadhyaksha, they shall choose another member from amongst them to be Adhyaksha or Upadhyaksha, as the case may be:

Provided that no election shall be held if the vacancy is for a period of less than one month.

(2) There shall be reserved by the Government State Election Commission in the prescribed manner,-

(a) such number of offices of Adhyaksha and Upadhyaksha of Zilla Panchayat in the State for the persons belonging to the Scheduled Castes and Scheduled Tribes and the number of such offices bearing as nearly as may be the same proportion to the total number of offices in the State as the population of the Scheduled Castes in the State or of the Scheduled Tribes in the State bears to the total population of the State;

(b) such number of offices of Adhyaksha and Upadhyaksha in the State which shall as nearly as may be one third of the total number of offices of Adhyaksha and Upadhyaksha in the State, for the persons belonging to the Backward Classes;

provided that out of the offices reserved under this clause, eighty per cent of the total number of such offices shall be reserved for the persons falling under category 'A' and the remaining twenty per cent of the offices shall be reserved for the persons falling under category 'B';

(c) not less than one-third of the total number of offices of Adhyaksha and Upadhyaksha in the State from each categories reserved for persons belonging to the Scheduled Castes, Scheduled Tribes and Backward Classes and those which are non-reserved, for women:

Provided that the offices reserved under this section shall be allotted by rotation to different Zilla Panchayat;

Explanation.-For the removal of doubts it is hereby declared that the principle of rotation for purposes of reservation of offices under this sub-section shall commence from the first ordinary election to be held after the commencement of the Karnataka Panchayat Raj Act, 1993.

(3) The term of office of every Adhyaksha and every Upadhyaksha of Zilla Panchayat shall, save as otherwise provided in this Act, be twenty months from the date of his election or till he ceases to be a Member of Zilla Panchayat, whichever is earlier.

provided that the member who is elected as Adhyaksha or Upadhyaksha to fill the casual vacancy in the office of Adhyaksha or Upadhyaksha shall hold office for the remainder of the period for which the Adhyaksha or Upadhyaksha in whose place he has been elected would have held office if the vacancy had not occurred.

(4) The election of the Adhyaksha or the Upadhyaksha of a Zilla Panchayat and filling up of vacancies in the said offices and the determination of disputes relating to such election shall be in accordance with such rules as may be prescribed:

Provided that the authority to determine such election disputes shall be the District Judge having jurisdiction.

179. Resignation or removal of Adhyaksha and Upadhyaksha.-

No changes proposed in sub-sections 1 to 3 and 5

(4) Every Adhyaksha and Upadhyaksha of Zilla Panchayat shall, after an opportunity is afforded for hearing him, *and if necessary after obtaining a report from the Ombudsman and considering the same* be removable from his office as Adhyaksha or Upadhyaksha by the Government for misconduct in the discharge of his duties, or for being persistently remiss in the discharge of his duties and an Adhyaksha or Upadhyaksha so removed who does not cease to be a member under sub-section (2) shall not be eligible for re-election as Adhyaksha or Upadhyaksha during the remaining term of office as member of such Zilla Panchayat.

(6) If for any reason where both the offices of Adhyaksha and Upadhyaksha are vacant, the Chairman of the Standing Committee on Social Justice shall exercise the functions of the Adhyaksha, until a new Adhyaksha or Updhyaksha assumes office.

180. Meetings of Zilla Panchayat.-

(2) (a). One-third of the total number of members of the Zilla Panchayat shall form a quorum for transacting business at a meeting of the Zilla Panchayat. *At least one-third of the members attending the meeting shall be women members.* If, at the time appointed for the meeting a quorum is not present, the person presiding shall, wait for thirty minutes and if within such period there is a quorum proceed with the meeting; but if within such period there is no quorum, the person presiding shall adjourn the meeting to such hour on some future day as he may fix. He shall similarly adjourn the meeting at any time after it has begun if his attention is drawn to the want of a quorum. At such adjourned meetings

at which there is quorum the business which would have been brought before the original meeting shall be transacted;

(2) (f). All questions shall, unless otherwise specially provided be decided by a majority of votes of the members present and voting. The presiding member, unless he refrains from voting shall give vote before declaring the number of votes for and against a question and in case of equality of votes, he may give his casting vote; *The Zilla Panchayat may lay down detailed procedures for conduct of voting not repugnant to this Act and rules made under it, prescribing the levels of majority that will be applicable for certain decisions or class of decisions, including decisions or class of decisions that would require a secret ballot.*

(2) (g). No member of a Zilla Panchayat shall vote on, or take part in the discussion of, any question coming up for consideration at a meeting of a Zilla Panchayat or any Committee, if the question is one in which apart from its general application to the public he has any pecuniary interest. *It shall be the duty of every member of a Zilla Panchayat to disclose to the Zilla Panchayat any pecuniary interest that he has, direct or indirect, in any question coming up for consideration at a meeting of a Zilla Panchayat.*

No changes proposed in sub-clauses 'h', 'I'

(6) *Notwithstanding anything contained in clause 180(2) (f), the following provisions shall apply to no-confidence motions.*

(a) *a meeting convened to consider a no-confidence motion shall be presided by*

(i) *the Adhyaksha, if the motion is against the Upadhyaksha;*

(ii) *the Upadhyaksha, if the motion is against the Adhyaksha;*

(iii) *in cases where a combined no-confidence motion is brought against both the Adhyaksha and the Upadhyaksha, by a member elected by the elected members present at the meeting from among themselves.*

(b) *the process of voting in a no-confidence motion shall be by means of open vote using ballot paper in which each member participating in the voting shall record under his signature whether he supports the motion or not.*

(c) *the presiding member shall be entitled to vote thereon without the right to exercise a casting or a second vote.*

(7) *Collective Responsibility of the Members towards decisions of the Zilla Panchayat.-*

All members attending and voting on resolutions passed by the Zilla Panchayat shall be collectively responsible for the consequences of such approval.

CHAPTER XI

Functions, Duties and Powers of Zilla Panchayat, Adhyaksha and Upadhyaksha**193 Powers and duties of the Adhyaksha.-**

The Adhyaksha shall be the executive head of the Zilla panchayat and shall

- (a) convene, preside at and conduct meetings of the Zilla Panchayat;
- (b) discharge all duties imposed and exercise all the powers conferred on him by or under this Act or perform such functions entrusted to him by the Government from time to time;
- (d) exercise overall supervision over the financial and executive administration of the Zilla Panchayat and place before the Zilla Panchayat all questions connected therewith which shall appear to him to require its orders and for this purpose may call for records of the Zilla Panchayat; and

Provided that the Adhyaksha shall not call for files and records which are directly related to the exercise of independent statutory functions of the Secretary or another officer under the Zilla Panchayat, and

- (e) have power to accord sanction up to a total sum of rupees one lakh in a year for the purpose of providing immediate relief to those who are affected by natural calamities in the district:

Provided. that the Adhyaksha shall place at the next meeting of the Zilla Panchayat for its ratification, the details of such sanctions.

CHAPTER XII

Staff of Zilla Panchayat

Change this make it subject to the overall supervision and control of the elected body. Apparently, this was the position that existed in the original 1993 act. Also check out what the position was in the 1987 act.

197. Functions, powers and duties of the Chief Executive Officer and other officers.-

(I) Subject to the provisions of this Act and the general powers of the Adhyaksha under Section 193 the Chief Executive Officer shall work under the overall supervision and control of the Zilla Panchayat and perform the following functions,- .

- (a) exercise all the powers specially, imposed or conferred upon him by or under this Act or under any other law for the time being in force;
- (b) control the officers and officials of, or holding office under, the Zilla Panchayat subject to the general superintendence and control of the Adhyaksha and such rules as may be prescribed;
- (c) supervise and control the execution of all works of the Zilla Panchayat;

- (d) take necessary measures for the speedy execution of all works and developmental schemes of the Zilla Panchayat;
- (e) have custody of all papers and documents connected with the proceedings of the meetings of the Zilla Panchayat and its Committees;
- (f) draw and disburse monies out of the Zilla Panchayat Fund; and
- (g) exercise such other powers and discharge such other functions as may be prescribed.

Without prejudice to the general provisions under sub-section 2, the Executive Officer shall perform the following functions

(a) place before the Standing Committee for Finance and General Administration the monthly accounts of the Zilla Panchayat before the tenth day of succeeding month or on the first meeting in the succeeding month;

(b) prepare the annual accounts and the DCB statement for preceding financial year and place them before the Zilla Panchayat before the thirtieth June of the next financial year;

(c) furnish returns, statement of accounts and such other information when called for by the Government or any audit authority.

(d) inspect or cause to be inspected the accounts of the institutions under the control of the Zilla Panchayat;

(e) keep records of the Zilla Panchayat, standing committees, functional committees and other committees;

(f) co-ordinate the preparation of the annual plan and five-year plan so that the approved plan is submitted to the District Planning Committee within the time fixed by the Government;

(g) disburse Zilla Panchayat and plan funds to the officers concerned and render utilisation certificate in the manner prescribed.

(2) The Chief Executive Officer shall attend every meeting of the Zilla Panchayat and shall have right to attend the meeting of any Committee thereof and to take part in the discussion but shall not have the right to move any resolution or to vote. If in the opinion of the Chief Executive Officer any proposal or resolution before the Zilla Panchayat or any Committee or any order of the Adhyaksha is violative of, or inconsistent with, the provisions of this Act, or any other law or rule or order made thereunder or any financial regulation or budget provision or is in derogation of the functions and powers of the Zilla Panchayat, or its committee or the Adhyaksha, it shall be the duty of the Chief Executive

Officer to advise the Zilla Panchayat or the committee or the Adhyaksha in the form of a written note containing the reasons for his opinion and specifying the law, rule, order, regulation or provision with which the proposal or resolution or order is inconsistent and if the proposal or resolution or order has been considered and passed by the Zilla Panchayat or the committee or the Adhyaksha before such advise is tendered, the Chief Executive Officer may resubmit the proposal or resolution or order with his advice after such examination as he considers necessary.

(3) If the Zilla Panchayat or any of its committees or the Adhyaksha passes the resolution or order without resolving the inconsistency referred to in sub-section (2) it shall be the duty of the Chief Executive Officer, notwithstanding any other provisions in this Act, to forward forthwith to the Government under intimation to the Adhyaksha a copy of the said resolution or order along with his written note and he shall not implement such resolution or order otherwise than as decided by the Government:

Provided that if the Government does not communicate its decision within fifteen days from the date of receipt of such letter, the Chief Executive Officer shall take action to implement such resolution of the Zilla Panchayat or the committee or the order of the Adhyaksha.

(4) The Chief Accounts Officer shall advise the Zilla Panchayat in matters of financial policy and shall be responsible for all matters relating to the accounts of the Zilla Panchayat including the preparation of the annual accounts and budget.

(5) The Chief Accounts Officer shall ensure that no expenditure is incurred except under proper sanction and in accordance with this Act and the rules and regulations made thereunder and shall disallow any expenditure not warranted by the Act or the rules or regulations for which no provision is made in the budget.

197 (A) Exercise of statutory functions by the Chief Executive Officer:

Where the Chief Executive Officer is conferred with any statutory powers or functions to be independently and solely exercised by such officer, the Taluk Paanchayat, the President, the Chariman of any Standing Committee or any member shall not interfere or influence the exercise of such powers or functions by the Chief Executive Officer.

CHAPTER XIII

Taxes and Fees

199. Levy of taxes, rate, etc. by Grama Panchayats.-

(1) Every Grama Panchayat shall in such manner and subject to such exemptions as may be prescribed and not exceeding the maximum rate specified in Schedule IV levy tax upon buildings and lands which are not subject to agricultural assessment, within the limits of the Panchayat area:

Provided that where an owner of the building or land has left the Panchayat area or cannot otherwise be found, the occupier of such building or land shall be liable for the tax leviable on such owner.

(2) A Grama Panchayat may levy water rate for supply of water for drinking and other purposes.

(3) A Grama Panchayat may also levy all or any of the following taxes and fees at such rates as the Grama Panchayat may by bye-laws determine ~~but not exceeding the maximum specified in Schedule IV~~ and in such manner and subject to such exemptions as may be prescribed, namely, -

- (a) tax on entertainment other than cinematograph shows;
- (b) tax on vehicles, other than motor vehicles;
- (c) tax on advertisement and hoarding;
- (d) pilgrim fee on persons attending the jatras, festivals, etc., where necessary arrangement for water supply, health and sanitation are made by the Grama Panchayats;
- (e) market fee on persons who expose their goods for sale in any market place;
- (f) fee on the registration of cattle brought for sale in any market place; ,
- (g) fee on buses and taxies and auto-stands provided adequate facilities are provided for the travellers by the Grama Panchayat; and
- (h) fee on grazing cattle in the grazing lands.

202. Composition of taxes in factory areas.-

(1) Subject to such rules as may be prescribed, when the owner of any industry or factory established in any Panchayat area provides sanitary and other amenities for the buildings and land used for the industry or as factory quarters for employees and for other purposes connected with the undertaking the Grama Panchayat may in lieu of the taxes, rates or fees, payable under this Act in respect of such buildings and lands receive such amount annually as may be agreed upon between the Grama Panchayat and such owner.

(2) Where no such agreement as is referred to in sub-section (1) can be reached, the matter may be referred to the Chief Executive Officer ~~Assistant Commissioner~~ Zilla Panchayat and the Chief Executive Officer ~~Assistant Commissioner~~ Zilla Panchayat may, after giving to the Grama Panchayat and the owner concerned an opportunity of being heard, determine the amount payable by such owner and such determination shall be binding on the Grama Panchayat and such owner.

(3) The *Government* Zilla Panchayat may by notification direct that the provisions of sub-section (1) shall be applicable to such other establishments as may be specified in such notification.

CHAPTER XIV

Levy of cesses, etc., and grant of financial assistance by Government

206. Grant to Grama Panchayats.-

The Government shall make annually a grant *as it may from time to time notify, but in any case not below* ~~of one three and a half lakh rupees~~ to each Grama Panchayat which shall be utilised for development works meeting the electricity charges, maintenance of water supply schemes, sanitation and for the discharge of statutory functions as specified in Section 58 of this Act. ~~other welfare activities.~~ No part of this grant, shall be spent towards establishment expenses not related to the aforesaid purposes.

CHAPTER XV

Properties and funds of Panchayats

209. Grama Panchayat may acquire, hold and dispose off property, etc.-

The power of the Grama Panchayat to acquire, hold and dispose off property both movable and immovable whether within or without the limits of the area over which it has authority, to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purpose of this Act, shall be subject to the rules made by the Government in this behalf:

~~Provided that no lease of immovable property for a term exceeding five years and no sale or other transfer of any such property shall be valid unless such lease, sale or other transfer shall have been made with the previous sanction of the Taluk Panchayat~~

215. Taluk Panchayat may acquire, hold and dispose off property, etc.-

The power of every Taluk Panchayat to acquire, hold and dispose off property both movable and immovable whether within or without the limits of the area over which it has authority to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purposes of this Act, shall be subject to such rules as may be prescribed:

~~Provided that no lease of immovable property for a term exceeding five years and no sale or other transfer of any such property shall be valid unless such lease, sale or other transfer shall have been made with the previous sanction of the Zilla Panchayat~~

222. Zilla Panchayat may acquire, hold and dispose off property , etc.-

The power of every Zilla Panchayat to acquire, hold and dispose off property both movable and immovable whether within or without the limits of the area over which it has authority, to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purposes of this Act, shall be subject to the rules made by the Government in this behalf:

~~Provided that no lease of immovable property for a term exceeding five years and no sale or other transfer of any such property shall be valid unless such lease, sale or other transfer shall have been made with the previous sanction of the Government.~~
Special resolution plus provide a ceiling of value before transaction. In other cases only government can approve transfer of property.

CHAPTER XVI

~~Inspection, Supervision, etc.~~ **Monitoring and Evaluation**

232. Power of inspection and supervision.-

An Officer specially authorised by the Government in this behalf in case of the Zilla Panchayat, Chief Executive Officer in case of Taluk Panchayat and the Executive Officer in case of the Grama Panchayat may,-

(a) **inspect the officers or premises of or works taken up by, any Zilla Panchayat, Taluk Panchayat or Grama Panchayat and for this purpose examine or cause to be examined the books of accounts, registers and other documents concerned and the Zilla Panchayat, Taluk Panchayat or Grama Panchayat concerned shall comply with the instructions issued after such inspections;**

(b) **call for any return, statement, account or report which we may think fit to require the Zilla Panchayat, Taluk Panchayat or Grama Panchayat concerned to furnish.**

233. *Technical supervision and inspections.-*

(1) The Heads of Departments concerned and the Officers in charge of the Departments at the Divisional level may, with a view to ensure quality of implementation according to the technical and financial norms contained in the respective schemes or orders, inspect works or development schemes relating to that department under the control of any Zilla Panchayat, Taluk Panchayat or Grama Panchayat and also to inspect relevant documents pertaining to such work or development scheme in the manner specified by the Government.

(2) The scope of such inspections may cover technical aspects including feasibility, economic viability, the technical quality of the work, and the expenditure being incurred.

(3) The notes of inspections by such Officers after such inspections shall be forwarded to the Chief Executive Officer, Executive Officer or the Secretary, as the case may be, for appropriate action.

(4) The Zilla Panchayat, Taluk Panchayat or Grama Panchayat concerned shall take follow-up action on the report of the inspecting officer within thirty days from the date of receipt of such report and failure to take such action may be construed as "default in the performance of the duty" for the purpose of Section 268.

234. Chief Executive Officer's powers in respect of Grama Panchayat and Taluk Panchayat.-

(1) The Chief Executive Officer may in respect of Taluk Panchayat and Grama Panchayat exercise the following powers,-

(a) call for proceedings of any Grama Panchayat or Taluk Panchayat or any extract of any book or document in the possession or under the control of the Grama Panchayat or Taluk Panchayat or any return or statement of account or report;

(b) require a Grama Panchayat or Taluk Panchayat to take into consideration any objection which appears to him to exist to the doing of anything which is about to be done or is being done by such Grama Panchayat or Taluk Panchayat or any information which appears to him to necessitate the doing of anything by such Grama Panchayat or Taluk Panchayat or within such period as he might fix;

(c) require a duty to be performed within a specified period if a Grama Panchayat or Taluk Panchayat has made default in the performance of any duty;

(d) In case he is informed on complaint made or otherwise, that any Taluk Panchayat or Grama Panchayat has made default in performing any duty imposed on it, by or under this Act, or by or under any law for the time being in force and if satisfied after due enquiry that any Taluk Panchayat or Grama Panchayat, has failed in the performance of such duty, fix a period for the performance of that duty:

Provided that no such period shall be fixed unless the Grama Panchayat or Taluk Panchayat concerned has been given opportunity to show-cause why such an order shall not be made.

(e) If in his opinion the execution of any order or resolution of a Grama Panchayat, or Taluk Panchayat or any order of any authority or officer of the Grama Panchayat or Taluk Panchayat or the doing of anything which is about to be done, or is being done, by or on behalf of a Grama Panchayat or Taluk Panchayat is unjust, unlawful or improper or is causing or is likely to cause injury or annoyance to the public or to lead to a breach of peace, he may by order suspend the execution or prohibit the doing thereof.

Provided that the Chief Executive Officer shall not makes an order under sub-clause (e) without giving an opportunity to the Grama Panchayat or Taluk Panchayat to be heard,

Provided further that he shall forthwith forward to the Grama Panchayat or Taluk Panchayat affected a copy of the order with a statement of the reasons for making it,

(2) When the Chief Executive Officer makes an order under sub-section (1), he shall forward within seven days a copy of the order with a statement of the reasons for making it to the Ombudsman who may confirm or rescind the order or direct that it shall continue to be in force with or without modification permanently or for such period as he thinks fit:

Provided that no order of the Ombudsman passed under sub-section (2) shall be confirmed, revised or modified by the Government without giving the Grama Panchayat or Taluk Panchayat concerned a reasonable opportunity of showing cause against the proposed order.

235. Government's powers in respect of Zilla Panchayat.-

(1) The Government may in respect of Zilla Panchayat exercise the following powers,-

(a) call for proceedings of any Zilla Panchayat or any extract of any book or document in the possession or under the control of the Zilla Panchayat or any return or statement of account or report;

(b) require a Zilla Panchayat to take into consideration any objection which appears to it to exist to the doing of anything which is about to be done or is being done by such Zilla Panchayat or any information which appears to it to necessitate the doing of anything by such Zilla Panchayat or within such period as it might fix;

(c) require a duty to be performed within a specified period if a Zilla Panchayat has made default in the performance of any duty;

(d) In case it is informed on complaint made or otherwise, that any Zilla Panchayat has made default in performing any duty imposed on it, by or under this Act, or by or under any law for the time being in force and if satisfied after due enquiry that any Zilla Panchayat has failed in the performance of such duty, fix a period for the performance of that duty:

Provided that no such period shall be fixed unless the Zilla Panchayat concerned has been given opportunity to show-cause why such an order shall not be made.

(e) If in its opinion the execution of any order or resolution of a Zilla Panchayat or any order of any authority or officer of the Zilla Panchayat or the doing of anything which is about to be done, or is being done, by or on behalf of a Zilla Panchayat is unjust, unlawful or improper or is causing or is likely to cause injury or annoyance to the public or to lead to a breach of peace, it may by order suspend the execution or prohibit the doing thereof.

Provided that the Government shall not make an order under sub-clause (e) without giving an opportunity to the Zilla Panchayat to be heard,

Provided further that it shall forthwith forward to the Zilla Panchayat affected a copy of the order with a statement of the reasons for making it,

(2) It shall be open to the government to obtain the opinion of the Ombudsman before making any order under this Section.

~~234. Government and Chief Executive Officer's powers in respect of Grama Panchayat, Taluk Panchayat and Zilla Panchayat-~~

~~(1) The Chief Executive Officer may in respect of Taluk Panchayat and Grama Panchayat exercise the following powers:-~~

~~(a) call for proceedings of any Grama Panchayat or Taluk Panchayat or any extract of any book or document in the possession or under the control of the Grama Panchayat or Taluk Panchayat or any return or statement of account or report;~~

~~(b) require a Grama Panchayat or Taluk Panchayat to take into consideration any objection which appears to him to exist to the doing of anything which is about to be done or is being done by such Grama Panchayat or Taluk Panchayat or any information which appears to him to necessitate the doing of anything by such Grama Panchayat or Taluk Panchayat or within such period as he may think fit;~~

~~(c) require a duty to be performed within a specified period if a Grama Panchayat or Taluk Panchayat has made default in the performance of any duty;~~

~~(2) The Grama Panchayat or Taluk Panchayat may appeal to the Government against any order under clause (c) or sub-section (1) by the Chief Executive Officer within three weeks from the date of the order.~~

~~(3) The Government may in respect of Zilla Panchayat exercise the following powers:-~~

~~(a) call for proceedings of any Zilla Panchayat or any extract of any book or document in the possession or under the control of the Zilla Panchayat or any return or statement of account or report;~~

~~(b) require a Zilla Panchayat to take into consideration any objection which appears to it to exist to the doing of anything which is about to be done or is being done by such Zilla Panchayat or any information which appears to it to necessitate the doing of anything by such Zilla Panchayat or within such period as it might fix;~~

~~(c) require a duty to be performed within a specified period if a Zilla Panchayat has made default in the performance of any duty;~~

~~235. Power of Government, Zilla Panchayat and Taluk Panchayat to provide for performance of duties in default of Grama Panchayat, Taluk Panchayat or Zilla Panchayat.-~~

~~(1) When the Government in case of a Zilla Panchayat, Zilla Panchayat in case of a Taluk Panchayat and Taluk Panchayat in case of a Grama Panchayat is informed on complaint made or otherwise, that any Zilla Panchayat or Taluk Panchayat or Grama Panchayat has made default in performing any duty imposed on it, by or under this Act, or by or under any law for the time being in force and is satisfied, after due enquiry, that any Zilla Panchayat, Taluk Panchayat or Grama Panchayat, has failed in the performance of such duty, it may fix a period for the performance of that duty;~~

~~Provided that no such period shall be fixed unless the Zilla Panchayat, Taluk Panchayat or Grama Panchayat concerned has been given opportunity to show cause why such an order shall not be made;~~

~~(2) An appeal shall lie, against the order of:-~~

~~(a) the Taluk Panchayat, to the Zilla Panchayat; and~~

~~(b) the Zilla Panchayat to the Government, within thirty days from the date of such order;~~

~~236. Inquiry into affairs of Grama Panchayat, Taluk Panchayat, Zilla Panchayat by the Government.-~~

~~(1) The Government may, at any time for reasons to be recorded, cause an inquiry to be made by any of its officers in regard to any Grama Panchayat, Taluk Panchayat, or Zilla Panchayat on specific matters concerning it, or any matters with respect to which the sanction, approval, consent or orders of the Government is required under this Act;~~

~~(2) The Officer holding such inquiry shall have the powers of the civil court under the Code of Civil Procedure, 1908, to take evidence and to compel attendance of witnesses and production of documents for the purpose of the inquiry;~~

~~(3) The Government may make orders as to the costs of inquiries made under sub-section (1) and as to the parties by whom and the funds out of which they shall be paid and such~~

order may, on the application of the Chief Executive Officer or of any person named therein be executed as if it were a decree of a civil court.

237. Power of suspending execution of unlawful orders or resolution:-

(1) If in the opinion of the Adhyaksha of Taluk Panchayat, the execution of any order or resolution of a Grama Panchayat or any order of any authority or officer of the Grama Panchayat or the doing of anything which is about to be done, or is being done, by or on behalf of a Grama Panchayat is unjust, unlawful or improper or is causing or is likely to cause injury or annoyance to the public or to lead to a breach of peace, he may by order suspend the execution or prohibit the doing thereof.

(2) When the Adhyaksha of Taluk Panchayat makes an order under sub-section (1), he shall forthwith forward to the Adhyaksha of the Zilla Panchayat Grama Panchayat affected thereby a copy of the order with a statement of the reasons for making it, and the Adhyaksha of the Zilla Panchayat may confirm or rescind the order or direct that it shall continue to be in force with or without modification permanently or for such period as he thinks fit:

Provided that no order of the Adhyaksha of Taluk Panchayat passed under sub-section (1) shall be confirmed, revised or modified by the Adhyaksha of the Zilla Panchayat without giving the Grama Panchayat concerned a reasonable opportunity of showing cause against the proposed order.

(3) If in the opinion of the Adhyaksha of the Zilla Panchayat, the execution of any order or resolution of a Taluk Panchayat or any order of any authority or officer of the Taluk Panchayat or the doing of anything which is about to be done, or is being done, by or on behalf of a Taluk Panchayat is unjust, unlawful or improper or is causing or is likely to cause injury or annoyance to the public or to lead to a breach of peace, he may by order suspend the execution or prohibit the doing thereof.

(4) When the Adhyaksha of the Zilla Panchayat makes an order under sub-section (3), he shall forthwith forward to the Government and the Taluk Panchayat affected thereby a copy of the order with a statement of the reasons for making it, and the Government may confirm or rescind the order or direct that it shall continue to be in force with or without modification permanently or for such period as he thinks fit:

Provided that no order of the Adhyaksha of the Zilla Panchayat passed under sub-section (3) shall be confirmed, revised or modified by the Government without giving the Taluk Panchayat concerned a reasonable opportunity of showing cause against the proposed order.

(5) If the Government is of the opinion that execution of any order or resolution of Zilla Panchayat or the doing of anything which is about to be done, or is being done, by or on behalf of a Zilla Panchayat is unjust, unlawful or improper or is causing or is likely to

cause injury or annoyance to the public or to lead to a breach of the peace, it may, by an order suspend the execution or prohibit the doing thereof.

~~(6) When the Government makes an order under sub-section (5), it shall forthwith forward to the Zilla Panchayat affected thereby a copy of the order with a statement of reasons for making it and the Government may confirm or rescind the order or direct that it shall continue to be in force with or without modification permanently or for such period as it thinks fit.~~

~~Provided that no order under this sub-section shall be passed by the Government without giving the Zilla Panchayat concerned a reasonable opportunity of showing cause against the said order.~~

CHAPTER XVI - A

OMBUDSMAN, RIGHT TO INFORMATION AND ACCOUNTABILITY

Definitions:

For the purpose of this Chapter,-

(a) 'action' means -action taken by way of decision, recommendation, resolution or finding or in execution thereof or in exercise of administrative or regulatory functions in any other manner and includes failure to act; and all other expressions connoting action shall be construed accordingly.

(b) 'allegation' in relation to a public servant means any affirmation that such public servant-

(i) has abused his position as such to obtain any gain or favour to himself or to any other person or to cause undue harm or hardship to any other person,

(ii) was actuated in the discharge of his functions as such public servant by personal interest or improper or corrupt motives,

(iii) is guilty of corruption or lack of integrity in his capacity as such public servant, or

(iv) is guilty of any action leading to loss, waste or misapplication of money or other property of the Panchayat or any member of public.

(c) 'Complaint' means a statement of allegation and includes any reference to an allegation, if a suo motu proceeding is proposed and a reference from the Government in regard to, an allegation.

(d) 'corruption' in relation to a public servant means an action of,-

(i) accepting or obtaining for himself or for any other person any gratification whatever other than legal remuneration, as a motive or reward for doing or forbearing to do any official act or showing or forbearing to show, in the exercise of his official functions; or inducing any public servant by malafide illegal or means for doing or forbearing from doing any official act or showing or forbearing to show, in the exercise of his official functions.

(ii) abusing his position as public servant by obtaining from any other person any valuable thing or pecuniary advantage or willfully does any act in contravention of any provisions of any law for the time being in force intending to show undue favour or cause injury or inconvenience to any person.

(iii) accepting or obtaining for himself or for any other person any valuable thing without consideration or for consideration which he knows to be inadequate, from any person whom he knows to have been or to be or likely to be concerned in any proceedings or business transacted or about to be transacted by such person or having any connection with the official functions of himself or any public servant or from any person whom he knows to be interested in or related to the person so concerned

(iv) possessing or being in possession for himself or any member of his family or any other person in his behalf, of pecuniary resources or property disproportionate to his known sources of income or for which he cannot satisfactorily account for.

(v) abusing his position, shows any act of favouritism or nepotism in the discharge of his official function by obtaining any monetary gain for himself or for his family.

Explanation I :- The word 'gratification' means pecuniary gratification estimable in money.

Explanation II :- The word 'law' includes any ordinance, byelaw, rule, regulation or notification.

Explanation III :- The words 'legal remuneration' are not restricted to remuneration which a public servant can lawfully demand, but include all remuneration which is lawfully permissible.

Explanation IV :- A person who receive a gratification as a motive for doing what he does not intend to do, or as a reward for doing what he has not done, comes within the expression "a motive or reward for doing".

(e) 'Panchayati Raj Institution' (hereinafter referred to as PRI) means a Zilla Panchayat, Taluk Panchayat or Grama Panchayat constituted under this Act and shall include any institution or office transferred to such body under the provisions of this Act;

(f) 'mal-administration' means action taken or purporting to have been taken in the exercise of administrative function in any case,-

(i) where such' action administrative procedure or practice governing such action is unreasonable, unjust, oppressive or improperly discriminatory; or

(ii) where there has been negligence or undue delay in taking such action, or non-observance of the rules, administrative procedure, practice or guidelines governing such action,

and includes action leading to loss, waste or misapplication of fund by non-feasance, misfeasance or malfeasance.

(g) 'Public servant' means an employee, officer or member of staff under an PRI or an elected member of the PRI including President or Chairperson of the PRI and includes an employee or officer of any office or institution transferred to the PRI under the provisions of this Act.

(h) 'Secretary' means the Secretary of the Ombudsman constituted under this Act;

(i) 'Investigating officer' means an officer with whom the Ombudsman may entrust the investigation into an allegation;

Constitution of Ombudsman :-

(1) The Government shall, by notification in the Gazette constitute an authority for PRIs (hereinafter known as Ombudsman for PRIs or Ombudsman), at State level for the purpose of conducting investigations and inquiries on any complaint in regard to any action involving corruption, mal administration or irregularities in the administration by PRIs and for disposal of such complaint in accordance with this Act;

(2) Ombudsman for PRIs shall consist of the following members, namely,-

(a) A retired High Court Judge, appointed by Government who shall be its Chairman.

(b) One retired Judicial Officer of the rank of District Judge appointed by Government with the approval of the Chief Justice of High Court of Karnataka.

(c) One retired officer of the Government, not below the rank of Principal Secretary to Government, appointed by Government.

(3) A vacancy in the office of the Chairman or any member of the Ombudsman shall not invalidate the proceedings of the Ombudsman.

(4) In the absence of the Chairman, the senior in service among the two members shall exercise the powers and perform the functions of the Chairman during such period of his absence.

(5) A member shall hold office for a term of five years from the date on which he enters upon office or till he attains sixty-five years of age whichever is earlier:

Provided that,

(a) a member may by writing under his hand addressed to the Government, resign his office, and

(b) a member may be removed from office in the manner provided in this Act.

Removal of member:-

(1) A member shall not be removed from his office, except by an order of the Governor, passed after an address by the State Legislative Assembly supported by a majority of the total membership of the house and by a majority of not less than two thirds of the members of the Legislative Assembly present and voting, has been presented to the Governor in the same session for such removal on the ground of proved misbehavior or incapacity.

(2) The procedure of the presentation of an address and for the investigation and proof of the misbehaviour or incapacity of the member under Sub-section (1) shall be as provided in the Judges (Inquiry) Act, 1968. (Central Act 51 of 1968), in relation to the removal of a Judge and accordingly the provisions of that Act shall, *mutatis mutandis* apply in relation to the removal of a member as they apply in relation to the removal of a Judge.

Staff of the Ombudsman :-

(1) The Ombudsman shall have a Secretary and such other officers and employees as the Government may determine in consultation with the Ombudsman to assist the Ombudsman in the exercise of its powers and the discharge of its functions under this Act.

(2) Method of appointment and conditions of service of Secretary and employees shall be such as may be specified by the Government and as far as possible appointment on deputation from Government Departments shall be resorted to.

(3) The Ombudsman may request the assistance of any officer in any Department of Government in order to ascertain the veracity of any complaint in an investigation and

such officer shall be duty bound to render such assistance in addition and without detriment, to his official duties.

(4) The Ombudsman may engage the services of any person having experience and expertise in any particular subject for arriving at a decision on matters before it.

Functions of the Ombudsman:-

(1) The Ombudsman shall perform all or any or the following functions namely;

(a) cause investigation into any allegation, contained in a complaint or on a reference from Government or that has come to the notice of the Ombudsman;

(b) cause examination of any resolutions of Zilla Panchayats, Taluk Panchayats and Grama Panchayats that are referred to it by the Chief Executive Officer or by the Government;

(c) inquire into any allegation against a public servant, alleging corruption or mal-administration;

(d) pass an order on the allegation in the following manner namely;

(i) Where the irregularity involves commission of a criminal offence by a public servant, refer the matter to the appropriate authority to cause further investigation and initiation of prosecution;

(ii) Where the irregularity leads to loss, or inconvenience to a citizen award compensation to the victim by the PRI concerned and cause to recover such amount from the person responsible for the irregularity;

(iii) Where the irregularity involves any loss, waste or misapplication of funds of PRIs, cause to recover such loss from the person responsible for the irregularity.

(iv) Where the irregularity is by reason of omission or inaction, cause to supply the omission or to cause rectification.

(2) In addition to the functions enumerated in Sub-section (1) the Ombudsman may pass interim orders restraining the PRI from doing anything detrimental to the interest of the complainant, if the Ombudsman is convinced that the complainant may suffer imminent loss or injury, by the act of the PRI complained of.

(3) The Ombudsman may in its order, impose fine in addition to the award of compensation if it is of the opinion that the irregularity involves some corrupt practice for personal gain.

(4) Notwithstanding any action taken against an employee or officer of the PRI under Sub-section (1) or Sub-section (3) the Government appointing authority or disciplinary authority in respect of that employee or officer shall have right to take appropriate disciplinary proceedings against him.

Powers of the Ombudsman :-

(1) Ombudsman shall for the purpose of any investigation or inquiry under this Act, have the same powers as are vested in a Civil Court while trying a suit under the Code of Civil Procedure, 1908 (Central Act V of 1908), in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of any witness and examining him;
- (b) requiring the discovery and production of any document;
- (c) receiving evidence on affidavits;
- (d) requisitioning any public records or copy thereof from any (public) court or office.
- (e) issuing commissions for the examination of witness,

(2) Where the Ombudsman finds that the allegation contained in a complaint is without substance or trivial in nature it may order the complainant to pay such amount of cost as may be specified in its order, to the opposite party.

(3) Where the allegation in a complaint is about the loss, waste or misapplication of fund or the PRI, or the loss or inconvenience to the citizen the Ombudsman may during the enquiry collect evidence, quantify such loss and specify in its order the amount to be realized from the person responsible.

(4) The amount due as per order of the Ombudsman passed under Sub-Section (s) or Sub-section (3), if not paid within the time specified by the Ombudsman, shall be recoverable under revenue recovery proceedings as if it were arrears of land revenue.

Services of Government Departments :-

The Government may on request of the Ombudsman make available the service of officers and staff of any Government Department including police personnel to render assistance to the Ombudsman for the purpose of investigation of inquiry and in regard to such functions, the employee or officer will be treated as employee or officer of the Ombudsman.

Investigation:-

(1) The Ombudsman may on receipt of a complaint, cause investigation to be conducted in the matter and where there is a prima-facie case, conduct a summary enquiry in the manner prescribed.

(2) The Ombudsman shall not investigate:-

(a) any matter in respect of which Government has ordered a formal and public enquiry,

(b) any matter in respect of which a remedy is available through an Appellate Authority constituted under this Act under sections ;

(c) any matter which has been referred for enquiry under the Commission of Inquiries Act 1952 (Central Act 60 of 1952) or any matter pending before any court of law.

(d) any complaint made after the expiry of three years from the date on which the matter complained against is alleged to have taken place.

Provided that, if the complainant satisfies that he had sufficient cause for not making the complaint within the specified period the Ombudsman may entertain such complaint.

Enquiry:-

(1) if after an investigation, the Ombudsman is of the opinion that

(a) the complaint is frivolous or vexatious or is not made in good faith; or

(b) there are no sufficient grounds for proceeding further or

(c) other remedies are available to the complainant and if the circumstances of the case it would be more proper for the complainant to avail of such remedies,

The Ombudsman may dispose the complaint as rejected after recording its findings stating the reason therefore, and communicate the same to the complainant.

(2) If the Ombudsman is of opinion that there is a prima-facie case against the person or PRI complained of, it shall record its findings to this effect and send notices to the complaint and to the opposite party, of the proposed inquiry.

(3) The Ombudsman shall, subject to the provisions of this Act and the rules made there under, have power to regulate its own procedure, including the fixing of the time and place of sitting.

(4) For the speedy and efficient transaction of business, the Chairman of the Ombudsman may constitute benches of the Ombudsman, each consisting of not less than two of its members, among whom one shall be nominated as the presiding officer of such bench.

(5) A bench so constituted shall hold its sittings at various District headquarters at regular intervals, as may be fixed by the Chairman of the Ombudsman and such bench shall exercise all or any of the powers of the Ombudsman.

Bar on Legal Practitioner:-

In any proceedings before the Ombudsman no legal practitioner will be permitted to represent any person, unless the Ombudsman permits by an order, a person to be represented by a counsel for reasons to be recorded.

Initiation of prosecution:-

(1) If, after a preliminary investigation or inquiry the Ombudsman finds that there is a prima-facie case against the person complained of involving a criminal offence, the Ombudsman may refer the complaint and the findings after investigation or inquiry to a competent authority with recommendation to initiate prosecution.

(2) The authority responsible for initiating such prosecution shall conduct a detailed investigation if necessary and charge sheet the case.

Disposal of complaints:-

(1) Complaints other than those involving criminal offences shall be disposed by the Ombudsman, after determining findings, in the following manner;

(a) By awarding compensation, where loss or grievance to a citizen is found;

(b) By ordering recovery of loss caused to the PRI from the person responsible;

(c) By ordering supply of omission or rectification of defects due to inaction;

(d) By ordering recovery of loss from the accused, failing which ordering realization through Revenue Recovery Proceedings;

(e) By ordering such other remedies called for in the facts and circumstances of the case;

(2) Where the Ombudsman finds that any procedure or practice in the administration of PRI gives room for complaint, the Ombudsman may recommend to the Government, or PRI to take such measures to avoid its recurrence.

(3) The Ombudsman shall present annually a consolidated report on the performance of its function under this Act to the Government which shall be caused by the Government to be placed before the Legislative Assembly, with an explanatory memorandum.

Procedure to be prescribed:-

The Government may frame rules for the following matters viz.,

- (a) The conditions of service of the members of the Ombudsman and its staff;*
- (b) The manner of filing complaints before the Ombudsman and the manner of taking cases on the file, suo moto and on reference by State Government;*
- (c) The manner and procedure of conducting investigation;*
- (d) Procedure for moving appropriate authority for initiation of prosecution;*
- (e) Procedure to be followed during the inquiry, which as far as possible shall be summary proceedings;*
- (f) The manner or implementing the order of the Ombudsman and follow up action;*
- (g) Any other matter that the Government may find necessary to prescribe.*

Duration of Enquiry:

The Ombudsman shall except for reasons to be recorded in writing, complete each proceeding or enquiry under this Act within 4 months of it being lodged.

THE RIGHT TO INFORMATION

Definition: For the purpose of this chapter, -

- (a) 'information' means any material or information contained in a document relating to the administrative, developmental or regulatory functions of a Zilla Panchayat Taluk Panchayat or Grama Panchayat and includes any document or record relating to the affairs of the Zilla Panchayat Taluk Panchayat or Grama Panchayat ;*
- (b) 'Right to information' means the right of access to information and includes the right for taking extracts and obtaining certified copy of the document;*
- (c) 'Notified document' means any document of the a Zilla Panchayat Taluk Panchayat or Grama Panchayat containing categories of information, which, the Government may, by notification in the Gazette, classify as 'notified document' as stated below;*
- (d) 'Panchayat' for the purposes of this Chapter means unless the context explicitly means otherwise, the Zilla Panchayat, Taluk Panchayat or Grama Panchayat as the case may be;*

Right to information.-

(1) Every person bonafide requiring any information shall have right to such information from a Panchayat in accordance with the procedure prescribed.

(2) Notwithstanding anything contained in Sub-Section (1) the government may, in the interest of public and local administration, by notification in the Gazette classify any documents containing categories of information as notified documents which no person shall have right to information. Any request for such information is liable to be rejected by the Panchayat;

(3) Government may, through general or special order, direct the Panchayats to publish categories of information as specified in the order, for the general information of the inhabitants of the area of that Institution.

Procedure for furnishing the information:-

(1) A person requiring any information from a Panchayat shall make an application in that behalf to the Secretary of the said body in the form, manner and on payment of fee as may be prescribed and the Secretary or the officer authorised by the body shall furnish the said information to the applicant within the period prescribed, unless the application is rejected or otherwise disposed within that period.

(2) If any application for information is rejected, the reasons for such rejection shall be given in writing.

Penalty for withholding information .-

(1) The Secretary of any officer of the Panchayat responsible for furnishing any information under this chapter shall be personally liable for furnishing the same within the period prescribed, unless such information is in respect of a notified document.

(2) Where such information is not furnished within the time specified, the officer responsible for non-supply of the information shall be punishable with a fine of fifty rupees for every day of delay after the date on which the supply is due, and such fine shall be credited to the fund of the Panchayat.

(3) If the Secretary of any officer of the Panchayat responsible for providing information under this chapter fails to furnish such information or furnishes any information which is false in any material particulars and which he knows or has reasonable cause to believe to be false or does not believe it to be true, he shall be punishable with fine which shall not be less than one thousand rupees.

Protection of action taken in good faith:

Notwithstanding anything contained in Section 271 D, the Secretary or the officer responsible for supply of information, after making a thorough search for a document finds that the document concerned is not available or traceable, by reason of expiry of

period for preservation of document or for any other valid reason and that the information cannot therefore be made available, he shall inform the applicant accordingly and dispose of the application and no action shall lie against him.

RELATIONSHIP BETWEEN THE ELECTED FUNCTIONARIES AND THE OFFICIALS:-

(1) There shall be a code of conduct as prescribed by the Government governing the relationship between the elected functionaries of the Zilla Panchayat, Taluk Panchayat and Grama Panchayat and the officers and employees under its control for the purpose of protection of the right of such officers and employees to tender advice on the matters dealt with, by them, and their professional freedom or statutory rights.

(2) Wherever minutes of discussions are kept they shall reflect all the points of view expressed by the officials.

(3) There shall be mutual respect in behaviour between the elected functionaries of the Zilla Panchayat, Taluk Panchayat and Grama Panchayat and the officials, totally avoiding rude language, gesture or action.

(4) Complaints on the infringement of the code of conduct by the elected functionaries shall be considered by the Ombudsman constituted under this Act and the report furnished to the Government for appropriate action.

(5) Oral instructions by the elected functionaries to the officials shall be confirmed in writing before they are acted upon.

EXERCISE OF STATUTORY FUNCTIONS BY OFFICIALS.-

Where any officer of the Zilla Panchayat, Taluk Panchayat or Grama Panchayat is conferred with any statutory powers or functions to be independently and solely exercised by such officer, Zilla Panchayat, Taluk Panchayat or Grama Panchayat as the case may be, the President, the Chairman of any Standing Committee or any member shall not interfere with or influence the exercise of such Powers or functions by such officer.

CITIZENS' CHARTER TO BE PUBLISHED.-

(1) Every Zilla Panchayat, Taluk Panchayat and Grama Panchayat shall, in the manner prescribed, formulate and publish a 'Citizens Charter' which shall specify the categories of service guaranteed by the Zilla Panchayat, Taluk Panchayat or Grama Panchayat to the citizen, the standards of such service, and also the time limit or periodicity within which such service will be rendered.

(2) The 'Citizens' Charter' shall be renewed and updated periodically at least once in a year.

CHAPTER XVII

Financial control and audit

241. Presentation of accounts and budget of Grama Panchayat.-

(1) The Secretary shall prepare and lay before the Grama Panchayat at a meeting, which shall be held between the first day of February and the tenth day of March, a complete account of the actual and expected receipts and expenditure for the official year ending on the thirty-first day of March next following together with a budget estimate of the income and expenditure, of the Grama Panchayat for the official year to commence on the first day of April next following.

(2) The Grama Panchayat shall thereupon decide upon the appropriations and the ways and means contained in the budget of the year to commence on the first day of April next following. The budget as passed by the Grama Panchayat shall be ~~sent to the Taluk Panchayat~~ *published in the form and manner and* before such date as ~~may be fixed~~ *prescribed* by the Government.

(3) In such budget estimate, the Grama Panchayat shall among other things,-

(a) make adequate and suitable provision for such services as may be required for the fulfilment of the several duties imposed on the Grama Panchayat by this Act or any other law;

provided that commitment of funds towards works that spill over beyond the period of the Grama Panchayat shall not be provided, unless there are special circumstances that justify such provision;

(b) allow for a balance at the end of said year of not less than such sum or percentage of income as may from time to time, be fixed by the Government either generally for all Grama Panchayats or specially for any Grama Panchayat;

(c) provide for the payment, as they fall due, of all instalments of principal and interest for which the Grama Panchayat may be liable in respect of loans contracted by it.

(d) Provide funds towards works that have spilled over from the previous year;

(e) ensure that own resources are not unreasonably over-estimated so as to render feasible the taking up of new works which otherwise could not have been taken up;

~~(4) If such budget estimate is not in accordance with the provisions of this Act or the rules and orders issued thereunder, the Taluk Panchayat may within two months from the date of receipt of the budget modify the same to secure compliance with this Act, the rules or the orders;~~

~~Provided that the Taluk Panchayat shall not have power to direct that total proposed expenditure shall exceed the total of the estimated income of the Grama Panchayat for the following year and the opening balance.~~

~~(5) If the Grama Panchayat fails to pass the budget estimate on or before the date mentioned in sub-section (1), the Secretary shall forward the budget estimate to the Taluk Panchayat and it shall approve it with or without modification. The budget as approved by the Taluk Panchayat shall be certified by the Executive Officer and thereupon shall be deemed to have been duly approved by the Grama Panchayat.~~

244. Transmission of accounts.-

The Grama Panchayat shall, as soon as the annual accounts have been finally passed by it, ~~transmit~~ **publish** a copy thereof ~~to the Zilla Panchayat~~ in the **manner and** form prescribed **by the Government** and shall furnish such details and vouchers relating to the same as the ~~Zilla Panchayat~~ **Government** may, from time to time, direct.

245. Power to write off irrecoverable amounts.-

Subject to such restrictions as may be prescribed, a Grama Panchayat may write off any tax, fee, rate or other amount whatsoever due to it, whether under a contract or otherwise, or any sum payable in connection therewith if, in its opinion, such tax, fee, rate or other amount or sum is irrecoverable:

~~Provided that, no sum exceeding one thousand rupees shall be written off except with the previous sanction of the Taluk Panchayat.~~

247. Presentation of accounts and budget of Taluk Panchayat-

(1) The Finance, Audit and Planning Committee shall cause to be prepared and laid before the Taluk Panchayat at a meeting, which shall be held between the first day of February and the tenth day of March, a complete accounts of the actual and expected receipts and expenditure for the official year ending on the thirty-first day of March next following together with a budget estimate of the income and expenditure of the Taluk Panchayat for the official year to commence on the first day of April next following.

(2) The Taluk Panchayat shall thereupon decide upon the appropriations and the ways and means contained in the budget of the year to commence on the first day of April next following. The budget as passed by the Taluk Panchayat shall be sent ~~to the Zilla Panchayat~~ **published in the manner and** before such date as may be fixed **prescribed** by the Government.

(3) In such budget estimate, the Taluk Panchayat shall among other things,-

(a) make adequate and suitable provision for such services as may be required for the fulfilment of the several duties imposed on the Taluk Panchayat by this Act or any other law;

provided that commitment of funds towards works that spill over beyond the period of the Taluk Panchayat shall not be provided, unless there are special circumstances that justify such provision;

(b) provide for the payment, as they fall due, of all instalments of principal and interest for which the Taluk Panchayat may be liable in respect of loans contracted by it;

(c) allow for a balance at the end of said year of not less than such sum or percentage of income as from time to time, be fixed by the Government either generally for all Taluk Panchayat or specially for any Taluk Panchayat.

(d) Provide funds towards works that have spilled over from the previous year;

(e) ensure that own resources are not unreasonably over-estimated so as to render feasible the taking up of new works which otherwise could not have been taken up;

~~(4) If such budget estimate is not in accordance with the provisions of this Act or the rules and orders issued thereunder, the Zilla Panchayat may, within two months from the date of receipt of the budget, modify the same to secure compliance with the Act, the rules or the orders:~~

~~Provided that the Zilla Panchayat shall not have power to direct that total proposed expenditure shall exceed the total of the estimated income of the Taluk Panchayat for the following year and the opening balance.~~

~~(5) If the Taluk Panchayat fails to approve the budget estimate on or before the date mentioned in sub-section (1), the Executive Officer shall forward the budget estimate to the Zilla Panchayat and the Zilla Panchayat shall approve it with or without modification. The budget so approved by the Zilla Panchayat shall be certified by the Chief Executive Officer and thereupon shall be deemed to have been duly approved by the Taluk Panchayat.~~

251. Transmission of accounts.-

The Taluk Panchayat shall, as soon as the annual accounts have been finally passed by it, ~~transmit~~ **publish** a copy thereof to the Zilla Panchayat in the **manner and** form prescribed in this behalf, and shall furnish such details and vouchers relating to the same as the Zilla Panchayat Government may, from time to time, direct.

252. Power to write off irrecoverable sums.-

Subject to such restriction as may be prescribed, a Taluk Panchayat may write off any sum due to it, whether under a contract or otherwise or any sum payable in connection therewith, if in its opinion, such sum is irrecoverable;

~~Provided that, no sum exceeding one thousand rupees shall be written off except with the previous sanction of the Zilla Panchayat.~~

256. Presentation of accounts and budget of Zilla Panchayat-

(1) The Finance, Audit and planning Committee shall cause to be prepared and laid before the Zilla Panchayat at a meeting, which shall be held between the first day of February and the tenth day of March, a complete account of the actual and expected receipts and expenditure for the official year ending on the thirty-first day of March next following together with a budget estimate of the income and expenditure of the Zilla Panchayat for the official year to commence on the first day of April next following.

(2) The Zilla Panchayat shall thereupon decide upon the appropriations and the ways and means contained in the budget of the year to commence on the first day of April next following. The budget as passed by the Zilla Panchayat shall be sent to the Government *published in the manner and* before such date as ~~may be fixed~~ *prescribed* by the Government.

(3) In such budget estimate, the Zilla Panchayat shall among other things,-

(a) make adequate and suitable provision for such services as may be required for the fulfilment of the several duties imposed on the Zilla Panchayat by this Act or any other law;

(b) provide for the payment, as they fall due, of all instalment of principal and interest for which the Zilla Panchayat may be liable in respect of loans contracted by it;

(c) allow for a balance at the end of the said year of not less than such sum or percentage of income as may from time to time, be fixed by the Government either generally for all Zilla Panchayat or specially for any Zilla Panchayat.

~~(4) If such budget estimate is not in accordance with the provisions of this Act or the rules and orders issued thereunder, the Government may, within two months from the date of receipt of the budget, modify the same to secure compliance with the Act, the rules or the orders;~~

~~Provided that the Government shall not have power to direct that total proposed expenditure shall exceed the total of the estimated income of the Zilla Panchayat for the following year and the opening balance.~~

~~(5) If the Zilla Panchayat fails to approve the budget estimate on or before the date mentioned in sub-section (1), the Chief Executive Officer shall forward the budget estimate to the Government and the Government shall approve it with or without modification. The budget so approved by the Government shall be certified by the~~

~~Government and thereupon shall be deemed to have been duly approved by the Zilla Panchayat.~~

261. Power to write off irrecoverable sums.-

Subject to such restrictions as may be prescribed, a Zilla Panchayat may write off any sum due to it, whether any sum payable in connection therewith, if in its opinion, such sum is irrecoverable:

~~Provided that no sum exceeding one thousand rupees shall be written off except with the previous sanction of the Government.~~

CHAPTER XVIII

Miscellaneous

268. Dissolution of Panchayats.-

(1) If, on the recommendation of the *Ombudsman, the Zilla Panchayat*, Taluk Panchayat, or otherwise, the Government ~~Zilla Panchayat~~ is of the opinion that, a Grama Panchayat exceeds or abuses its power or is not competent to perform or makes persistent default in the performance of the duties imposed on it under this Act or any other law for the time being in force the *Government* ~~Zilla Panchayat~~ may, by an order published in the *Official Gazette*, dissolve such Grama Panchayat.

(2) If in the opinion of the Government, a Zilla Panchayat or a Taluk Panchayat exceeds or abuses its power or is not competent to perform or makes persistent default in the performance of the duties imposed on it under this Act or any other law for the time being in force, the Government may, by an order published in the *Official Gazette*, dissolve such Zilla Panchayat or Taluk Panchayat.

(3) Before publishing an order under sub-section (1) or sub-section (2), ~~the Zilla Panchayat or the Government~~, as the case may be shall communicate to the Grama Panchayat, Taluk Panchayat or Zilla Panchayat, as the case may be the grounds on which it proposed to do so, fix a reasonable period for the Grama Panchayat, Taluk Panchayat or Zilla Panchayat to show cause against the proposal and consider its explanation and objections if any.

~~(3-A) Any person aggrieved by the order of the Zilla Panchayat under sub-section (1) may, within thirty days from the date of such order, appeal to the Government.~~

308. State Election Commission.-

(1) The Superintendence, direction and control of the preparation of electoral rolls for, and the conduct of, all elections to the Grama Panchayat, Taluk Panchayat or

Zilla Panchayat shall be vested in the State Election Commission consisting of a State Election Commissioner to be appointed by the Governor.

(2) The conditions of service and tenure of office of the State Election Commissioner shall be such as the Governor may by rule determine:

Provided that the State Election Commissioner shall not be removed from his office except in like manner and on the like grounds as a judge of a High Court and conditions of service of the State Election Commissioner shall not be varied to his disadvantage after his appointment.

(3) The Governor shall, when so requested by the State Election Commission, make available to the State Election Commission such staff as may be necessary for the discharge of the functions conferred on the State Election Commission under sub-section (1).

308. A. The officials drafted for election duty shall be deemed to be on deputation to the State Election Commission and shall work under the control and supervision of the State Election Commission from the date of issue of election notification until the election process is completed.

309. Preparation of development plan.-

(1) Every Grama Panchayat shall having due regard to the development programmes suggested by the Grama Sabha prepare every year a development plan and forward it to the ***District Planning Committee and publish it*** Taluk Panchayat before such date and in such form as may be prescribed.

(2) Every Taluk Panchayat shall prepare every year a development plan for the Taluk after including the development plans of the Grama Panchayat and forward it to the ***District Planning Committee and publish it*** Zilla Panchayat before such date and in such form as may be prescribed.

(3) Every Zilla Panchayat shall prepare every year a development plan of the district after including the development plans of the Taluk Panchayat and forward it to the District Planning Committee constituted under Section 310 ***and publish it before such date and in such form as may be prescribed.***

310-A: State Panchayat Council:-

(1) The Government shall constitute a State Panchayat Council to act as a forum for elected representatives to voice their aspirations and offer their suggestions to improve the Panchayat Raj system and make it more responsive to the people's needs.

(2) The State Panchayat Council shall consist of.-

- (i) The Chief Minister as Chairman;
 - (ii) The Minister for Rural Development and Panchayat Raj as vice-chairman;
 - (iii) Five other ministers nominated by the Government as members;
 - (iv) **Ten** ~~All~~ the Adhyakshas of the Zilla Panchayats *to be nominated by the Government* as members; ~~and~~
 - (v) *Ten Adhyakshas of the Taluk Panchayats to be nominated by the Government as members;*
 - (vi) *Ten Adhyakshas of the Grama Panchayats to be nominated by the Government as members; and*
 - (vii) Secretary, Department of Rural Development and Panchayat Raj as member-secretary.
- (3) The State Panchayat Council shall meet at least twice a year.
- (4) The State Panchayat Council shall discuss matters relating to functioning of the panchayats in the State.
-

Draft rules: The proposed changes are italicised

The Karnataka Panchayat Raj (Procedure at the Meetings of the Grama Panchayat) Rules, 1994

1. Title and commencement.-

(1) These rules may be called the Karnataka Panchayat Raj (Procedure at the meetings of the Grama Panchayat) rules, 1994.

(2) They shall come into force at once.

2. Notice of the meeting to Officers.-

Secretary shall also give notice of the meeting of the Grama Panchayat to all officials connected with its affairs.

3. Preparation of agenda.-

The Secretary shall, as soon as the date and time of the meeting of the Grama Panchayat is determined by the Adhyaksha, prepare in consultation with the Adhyaksha, an agenda for the meeting.

4. Procedure at meeting.-

(1) No meeting of the Grama Panchayat shall be held on or continued on any day earlier than 8.00AM or later than 7.00 PM.

(2) Every meeting shall be open to the public unless the presiding authority considers that any enquiry or deliberation pending before the Gram Panchayat should be held in camera.

Ordinarily meetings where financial issues as also issues relating to determination of the works or annual action plan are being discussed shall be open to the public.

Provided that the presiding authority may be at any time, cause any person who interrupts the proceedings to be removed.

(3) *No proposition shall be discussed at any ordinary meeting unless it had been entered in the notice convening such meeting and in the case of special meeting, in the written request for such meeting. A member may propose any resolution connected with or incidental to the subjects included in the list of business. The presiding authority may propose an urgent subject of a routine nature not included in the list of business if no member objects to it. In the case of important subjects, it is open to the Grama Panchayat to make arrangements for prior circulation of the agenda for a meeting and if necessary, allow one meeting to intervene before a resolution on the issue is introduced and voted upon. No permission shall be given in the case of a motion or proposition to modify or cancel any resolution within six months after the passing thereof except in accordance with Section 54. The order in which any business or proposition shall be brought forward at such meeting shall be determined by the presiding authority who, in case it is proposed by any member to give priority to any particular item of such*

business or to any particular proposition, shall put the proposal to the meeting and be guided by the majority of votes given for or against the proposal.

5. Rules to be observed in the meeting.-

The following procedure shall be observed at a meeting of the Grama Panchayat, namely.-

- (a) A member, while speaking in a meeting shall not.-
 - (i) comment on any matter which is pending in a Court;
 - (ii) make a personal charge against a member of Grama Panchayat;
 - (iii) use offensive language about the conduct or proceedings of the parliament, the legislature of any state or of any local authority,
 - (iv) Utter seditious or defamatory words; or
 - (v) use his right to speech for the purpose of willfully and persistently obstructing the business of the Grama Panchayat;
- (b) A member who has once addressed the meeting on a motion shall not subsequently move or second an amendment thereto or otherwise take part in the debate;
- (c) No member shall speak on a motion after it has been put to vote by the presiding authority;
- (d) No member may speak more than once on a motion except the mover who has the right of reply. After the mover's reply no member shall speak on the motion. If the mover of a motion speaks on an amendment thereto he loses his right of reply;
- (e) No speech shall, except with the permission of the presiding authority, exceed ten minutes in duration:

Provided that the mover of the resolution while moving the same may speak for not more than fifteen minutes

- (f) A member desiring to speak on any matter under discussion in the meeting shall rise from his place, but shall not speak before the presiding authority calls the name of the speaker, when he shall address the chair. If two or more members rise simultaneously to speak, the presiding authority shall call the member who first caught his eye to speak first. The other member or members shall immediately resume their seats. When a member is called to order by the presiding authority he shall immediately sit down.

RURAL DEVELOPMENT & PANCHAYAT RAJ DEPARTMENT

KARNATAKA PANCHAYAT RAJ (VASATHI SABHA AND GRAMA SABHA) RULES, 2001

The draft of the following rules which the Government of Karnataka proposes to make in exercise of powers conferred by section 311 read with section 3 of the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993), is hereby published as required by the said section for the information of persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration after thirty days from the date of publication in the Official Gazette.

Any objections or suggestion which may be received by the State Government from any person with respect to the said draft before the period specified above will be considered by the State Government. Objections and suggestions may be addressed to the Principal Secretary to Government, Rural Development & Panchayat Raj Department, Bangalore- 560001.

Draft Rules

1. Title and commencement. -

- (1) These rules may be called the Karnataka Panchayat Raj (Vasathi Sabha and Grama Sabha) Rules, 2001.
- (2). They shall come into force at once.

2. Definitions. -In these rules unless the context otherwise requires,-

- (a) "Act" means the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993);
 - (b) "Constituency" means constituency into which any area of the village is included for the purpose of election to the Grama Panchayat;
 - (c) "Convenor" means the member of the Grama Panchayat nominated by the Adhyaksha of the Grama Panchayat under Rule 3;
 - (d) "Grama Sabha" shall have the same meaning as defined in the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993);
 - (e) "Members of Grama Sabha" means the persons registered in the electoral roll relating to the village;
 - (f) "Presiding authority" means Adhyaksha or Upadhyaksha or member of Grama Panchayat who presides over the meeting of the Vasathi Abhivruddhi Sabha or Grama Sabha as the case may be;
-

(g) "Section" means the section of the Act;

(h) "Vasathi Sabha shall have the same meaning as defined in Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993);

(i) "Village" means a revenue village specified by the Governor in Notification No RDP 257 ZPS 93 dated 17th May, 1993 in exercise powers under section 2(42) of the Act.

3. Convening of Vasathi Sabha.—

Each member of the Grama Panchayat shall be the convenor of the Vasathi Sabha from where he has been elected. If for some valid reason he is unable to convene the meeting of the Vasathi Sabha, the Adhyaksha of the Grama Panchayat shall nominate any other member of the Grama Panchayat as the Convenor of the Vasathi Sabha.

4. Meetings of the Vasathi Sabha. —

(1) Ordinary meetings of the Vasathi Sabha shall be ordinarily held at least once in every three months. The convenor of the Vasathi Sabha is free to call for more frequent meetings but they shall not be referred to as ordinary meetings of the Vasathi Sabha.

(2) The Convenor shall prepare a list of the members of the Vasathi Sabha with assistance from the Panchayat Secretary.

3. Duty of Grama Panchayat to prepare a programme of meetings of Vasathi Sabhas within its limits.

Every year, a Grama Panchayat shall prepare a programme of meetings of Vasathi Sabhas coming within its jurisdiction. Care shall be taken so as to see that dates of holding Vasathi Sabhas do not clash, thus preventing officials from attending them;

4. Public notice of meeting and business. —

The Convenor with assistance from the Panchayat Secretary shall issue public notice of ordinary or extraordinary meeting, at least one week prior to the date of meeting, if necessary through public announcements and beating of tom-tom, handouts and posters exhibited in notice board of Grama Panchayat, Gram Chavadi and other conspicuous places, specifying the time and place at which such meeting is to be held and the business to be transacted.

6. Quorum.-

(1) The quorum for a meeting of the Vasathi Sabha shall not be less than one-tenth of the total number of members of the Vasathi Sabha, or twenty voters, whichever is lesser. Not less than half of the members present shall be women and Scheduled Caste

and Scheduled Tribe members shall be represented in proportion to their numbers in the Vasathi Sabha.

(2) If at the time appointed for the meeting a quorum is not present, the presiding authority shall wait for thirty minutes, and if within such period there is no quorum, the presiding authority adjourn the meeting to such time on the following day or such future day as he may fix.

7. Presence of Elected Representatives and Officials at Vasathi Sabha meetings. –

(1) All ordinary meetings of the Vasathi Sabha shall be attended by the Panchayat Secretary. If it appears to the convenor that the attendance of any other official of the Panchayat is desirable at the meeting, the Convenor shall by a letter addressed to such officer request that officer to be present at the meeting and the officer shall attend the meeting. .

(2) The Adhyaksha, Upadhyaksha and chairpersons of all standing committees of the Panchayat shall attend ordinary meetings of the Vasathi Sabha.

8. Discussion on finances and plans in the Vasathi Sabha:

8(1) A Vasathi Sabha shall in its meeting, discuss the budgetary provisions, the details of plan outlay and the subject-wise allocation of funds, as also the details of the estimate and cost of materials of the works executed or proposed to be executed in the area of the said Vasathi Sabha.

8(2) The annual statement of accounts of the preceding financial year, the last audit note and replies thereto and the panchayat jamabandi report and action taken thereto shall be placed for the consideration of the Vasathi Sabha in its meeting.

9. Method of deciding question.-

(1) All matters required to be decided or recommended by Vasathi Sabha shall be in the form of resolutions to be passed by majority of the votes of the members present and voting.

(2) The voting shall be ordinarily by show of hands but the presiding authority may resolve that any question or class of questions shall be decided by secret ballot.

10. Form of resolution.-

A resolution may be in the form of a declaration or opinion, a recommendation, a suggestion, recording of approval or disapproval, request of an action or a call attention to a matter or situation for consideration of the Grama Panchayat.

11. Minutes of proceedings. –

- (1) The proceedings of meetings shall be kept in Kannada and read over and recorded by the Panchayat Secretary in a book provided for this purpose, which shall be signed by the Presiding Authority. A proper record of the members of the Vasathi Sabha, Grama Panchayat and Officers present shall also be made in the proceedings book.
- (2) The views, recommendations or suggestions of the Vasathi Sabha shall be communicated to the village Panchayat. The Grama Panchayat shall give due consideration to the recommendations and suggestions of the Vasathi Sabha.

12. Convening of Grama Sabha.–

The Adhyaksha of the Grama Panchayat shall be the Convenor of the Grama Sabha. In his absence the Upadhyaksha shall be the Convenor of the Grama Sabha.

13. Meetings of the Grama Sabha:

Ordinary meeting. – An Ordinary Meeting of the Grama Sabha shall be held at least once in every three months

Extraordinary meeting. - The Convenor of the Grama Sabha shall upon the written request of not less than ten percent of the members of the Grama Sabha, call an extraordinary meeting specifying business to be transacted.

Special meeting. -The Executive Officer, upon failure of the Convenor in convening a meeting of Grama Sabha as required under rules 4 and 5, shall call a special meeting and require the Secretary of Grama Panchayat to take such action as may be necessary to convene a meeting.

14. Public notice of meeting and business. –

- (1) The Convenor with assistance from the Panchayat Secretary shall issue public notice of ordinary or extraordinary meeting, at least two weeks prior to the date of meeting, if necessary through public announcements and beating of tom-tom, handouts and posters exhibited in notice board of Grama Panchayat, Gram Chavadi and other conspicuous places, specifying the time and place at which such meeting is to be held and the business to be transacted.

15. Quorum for the meeting.-

- (1) The quorum for a meeting of the Grama Sabha shall be one-tenth of the total number of members or two hundred and fifty members, whichever is less. Not less than half of the members present shall be women and Scheduled Caste and Scheduled Tribe members shall be represented in proportion to their numbers in the Grama Sabha.

(2) If at the time appointed for the meeting a quorum is not present, the presiding authority shall wait for thirty minutes, and if within such period there is no quorum, the presiding authority shall adjourn the meeting to such time on the following day or such future day as he may fix.

16. Subjects to be taken up in Grama Sabha meetings:

Of the four ordinary meetings to be taken up by the Grama Sabha, the following shall be the broad agenda of the meetings to be conducted.

- (a) **First Quarter's Meeting:** Consideration of progress of previous year's programmes;
- (b) **Second Quarter's Meeting:** This meeting shall be the Panchayat Jamabandi meeting which shall consider the Audit report of the works relating to the previous year and be conducted in accordance with the Panchayat Jamabandi Rules;
- (c) **Third Quarter's Meeting:** Monitoring progress of ongoing works of the Panchayat and initial discussions on next year's developmental plan;
- (d) **Fourth Quarter's Meeting:** Monitoring Progress of ongoing works and finalisation of next year's Development Plan;

17. Presence of Elected Representatives and Officials at Grama Sabha meetings.—

(1) The Adhyaksha, Upadhyaksha and chairpersons of all standing committees of the Panchayat shall attend ordinary meetings of the Grama Sabha.

(2) All ordinary meetings of the Grama Sabha shall be attended by the Panchayat Secretary. If it appears to the convenor that the attendance of any other official of the Panchayat is desirable at the meeting, the Convenor shall by a letter addressed to such officer request that officer to be present at the meeting and the officer shall attend the meeting.

(3) In particular and without prejudice to the generality of foregoing powers the following officers may be required to participate in the meetings of the Grama Sabha.

- (a) Headmasters of the schools situated in the village;
- (b) Chairman of Village education Committee;
- (c) Medical Officer of the concerned Primary Health Center
- (d) Veterinary Doctor or Veterinary Assistant of the concerned Veterinary dispensary;
- (e) Manager of the concerned commercial Bank or Regional Rural Bank;
- (f) Concerned Agricultural Assistant of the Assistant Agricultural Officer;
- (g) Concerned Village Accountant and the Revenue Inspector;
- (h) Anganawadi workers;
- (i) Chairman of Neeru Panchayat or Village Water and sanitary Committee.

18. Method of deciding question.-

(1) All matters required to be decided or recommended by Grama Sabha shall be in the form of resolutions to be passed by majority of the votes of the members present and voting.

(2) The voting shall be ordinarily by show of hands but the presiding authority may resolve that any question or class of questions shall be decided by secret ballot.

19. Form of resolution.-

A resolution may be in the form of a declaration or opinion, a recommendation, a suggestion, recording of approval or disapproval, request of an action or a call attention to a matter or situation for consideration of the Grama Panchayat.

20. Minutes of proceedings. –

(1) The proceedings of meetings shall be kept in Kannada and read over and recorded by the Panchayat Secretary in a book provided for this purpose, which shall be signed by the Presiding Authority. A proper record of the members of the Grama Sabha, Grama Panchayat and Officers present shall also be made in the proceedings book.

(2) The Convenor shall forward the copies of all decisions, recommendations and suggestions to the Grama Panchayat,

RURAL DEVELOPMENT & PANCHAYAT RAJ DEPARTMENT

KARNATAKA PANCHAYAT RAJ (CONDUCT OF PANCHAYAT JAMABANDI) RULES, 2001

The draft of the following rules which the Government of Karnataka proposes to make in exercise of powers conferred by section 311 of the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993), is hereby published as required by the said section for the information of persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration after thirty days from the date of publication in the Official Gazette.

Any objections or suggestion which may be received by the State Government from any person with respect to the said draft before the period specified above will be considered by the State Government. Objections and suggestions may be addressed to the Principal Secretary to Government, Rural Development & Panchayat Raj Department, Bangalore. 560001

Draft Rules

I. Title and commencement. -(1) These rules may be called the Karnataka Panchayat Raj (Conduct of Panchayat Jamabandi) Rules, 2001.

(2) They shall come into force at once.

2. Definitions. -In these rules unless the context otherwise requires,-

- (a) " Act" means the Karnataka Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993);
- (b) "Executive Officer" means the Executive Officer of the Taluk Panchayat;
- (c) "Chief Executive Officer" means the Chief Executive Officer of the Zilla Panchayat;
- (d) "Panchayat Jamabandi" means annual inspection of accounts and registers maintained by the Grama Panchayat and works executed;
- (e) "Panchayat Jamabandi Officer" means the head of the Panchayat Jamabandi Team;
- (f) "Panchayat Jamabandi Team" means a team constituted under Rule 3;
- (g) "Responsive administration" means just and reasonable exercise of administrative functions without negligence or delay;
- (h) "Section" means the section of the Act.

3. Objects of Panchayat Jamabandi.- The objects of Panchayat Jamabandi shall be to ensure effective implementation of rural development programmes, to promote and secure greater participation of the people, to provide transparency and access to

information to citizens, to redress public grievances, to enforce accountability and to do all things necessary or expedient for the purpose of promoting responsive administration in Grama Panchayats.

4. Constitution of Panchayat Jamabandi Team. – (1) Each year, the Executive officer shall constitute Panchayat Jamabandi teams for conducting the Panchayat Jamabandi of Grama Panchayats within the Taluk.

(2) The Panchayat Jamabandi team shall be headed by a taluk level officer, designated the Panchayat Jamabandi Officer, who shall be assisted by two officials.

5. Preparation and Communication of Panchayat Jamabandi Programme:

(1) The Executive Officer shall draw up a timetable for holding Panchayat Jamabandi in all Grama Panchayats in the Taluk starting from the 16th of August onwards. Panchayat Jamabandi shall be completed latest by the 15th of September. This schedule shall be communicated to all Grama Panchayats in the Taluka thirty days in advance.

(2) The Secretary of the Grama Panchayat shall make all arrangements for holding the Panchayat Jamabandi in public and shall ensure the presence of all the Gram Panchayat members and staff. The Junior Engineer shall be present during the Panchayat Jamabandi.

(3) The schedule for the Panchayat Jamabandi shall be published in the local papers, Varta Patrike of the district and handbills may be distributed in the Panchayat area. Publicity may also be given through the visual media.

6. Conduct of Panchayat Jamabandi:

(1) The two officials assisting the Panchayat Jamabandi Officer shall visit the Gram Panchayat in advance and conduct a detailed check of all accounts and registers maintained and works undertaken by the Grama Panchayat and fill up the details in the prescribed proforma after such verification.

(2) The Panchayat Jamabandi shall be conducted on the designated day and time and shall be conducted in public in two parts. During the forenoon, the Panchayat Jamabandi Officer shall inspect the accounts and all registers of the Grama Panchayat. During the afternoon, the Panchayat Jamabandi Officer and his team shall conduct inspection of selected works.

7. Forms and registers. - The Panchayat Jamabandi officer shall ensure that the registers, documents and reports are prepared and maintained in the form prescribed under the following rules, namely:-

(1) Karnataka Panchayat Raj (Grama Panchayat Accounts and Budget) Rules, 1995;

(2) Karnataka Panchayat Raj (Grama Panchayat Taxes and Fees) Rules, 1994;

(3) Karnataka Panchayat Raj (Acquisition and Transfer of Movable and Immovable Properties by Grama Panchayat) Rules, 1996;

8. Powers, Duties and Responsibilities of the Panchayat Jamabandi Officer. –

During the Panchayat Jamabandi, the Panchayat Jamabandi Officer shall:-

- (a) inspect offices of the Grama Panchayat and if necessary, hold meetings of the members of the Grama Panchayat and officers;
 - (b) receive complaints of grievances for redressal of grievances;
 - (c) receive and verify complaints of allegations and hold enquiry and prepare a detailed report;
 - (d) inspect estimates for work and the bills of works executed, including checking the measurement book and details of materials purchased for the work;
 - (e) inspect works taken up by Grama Panchayat and satisfy himself as to the quality of work with reference to the expenditure incurred;
 - (f) verify whether assets have been created and whether the beneficiary has received the full amount due to him in the case of beneficiary oriented schemes;
 - (g) examine the books of accounts, registers and other documents, including vouchers of different items of expenditure such as salary paid, electricity bills and repairs done to water supply works;
 - (h) examine the proceedings of the Grama Sabha;
 - (i) examine the proceedings of Grama Panchayat;
 - (j) examine audit reports and compliance of audit objections;
 - (k) make enquiry into allegations of financial irregularities;
 - (l) examine khata register and register of mutations;
 - (m) examine the levy and collection of property tax, fees and water rate;
 - (n) conduct physical stock verification and check details of materials purchased, especially of items such as streetlight bulbs and fittings and spares for water works and water supply schemes;
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- (o) examine the action taken for protection of Grama Panchayat property;
- (p) examine the action taken in issue of licenses;
- (q) examine the receipt and utilisation of Government and Finance Commission grants;
- (r) examine the timely preparation of Budget;
- (s) examine the expenditure with reference to budget grants;
- (t) examine the monthly compilation of accounts;
- (u) examine the timely submission of periodical returns;
- (v) examine the implementation of JGSY schemes;
- (w) examine the actual accrual of benefits to the SCs/STs from general development and special programmes exclusively meant for SCs/STs

8. Rights of members of the Grama Sabha:

- (1) During the forenoon session of the Panchayat Jamabandi, the Grama Panchayat Secretary shall read out the additions and deletions made to the Khata Register during the previous year and give details of applications pending for Khata transfers;
- (2) Any member of the Grama Sabha who wishes to know about the details of a particular work done or property shall have access to the records and shall be entitled to inspect the records of the Gram Panchayat.
- (3) Any member of the Grama Sabha including any complainant may accompany the Panchayat Jamabandi Officer during his inspection of works or beneficiaries.

9. Panchayat Jamabandi Report:-

- (1) After conducting the Panchayat Jamabandi the Panchayat Jamabandi Officer shall prepare within two working days a detailed report containing details of procedural irregularities and financial misappropriation, highlighting any positive aspect in the Gram Panchayat and offering constructive suggestions to the Gram Panchayat to improve its functioning. He shall also prepare an executive summary of the Panchayat Jamabandi Report;
- (2) The Panchayat Jamabandi Report and its Executive Summary shall be submitted by the Panchayat Jamabandi Officer to the following;

- (a) The concerned Grama Panchayat, where the Executive Summary shall be prominently displayed on the Notice Board of the Panchayat and the full copy of the report shall be available on payment of the requisite fee as prescribed under the forward these rules. The Grama Panchayat Secretary shall also read out the report in the next Gram Sabha;
- (b) To the Executive Officer, who shall direct the Grama Panchayat to take follow-up action on the observations made in the report within fifteen days;
- (c) To the publishers of the district Varta Patrike for publication;

10. Follow up action on the Panchayat Jamabandi Report:

- (1) The Executive Officer shall table the Panchayat Jamabandi reports in the next meeting of the taluk Panchayat.
- (2) Action taken on the Panchayat Jamabandi report shall be reviewed as the first point in the meeting of the Gram Panchayat Secretaries convened by the Executive Officer and the meeting of the Executive Officers convened by the Chief Executive Officer. Non compliance shall be viewed seriously and disciplinary action shall be initiated.
- (3) If there are major irregularities found a special report shall be send to the Chief Executive Officer forthwith. However any punitive action based on the report of the Panchayat Jamabandi officer shall be taken only after obtaining approval from the Chief Executive Officer.

11. Duty of Senior Officers to Conduct Panchayat Jamabandi:

The Chief Executive Officer, Deputy Secretary and Assistant Secretary of the Zilla Panchayat shall conduct the Panchayat Jamabandi for at least two Gram Panchayats in a taluk during the year.

ANNEXURE 2

SUGGESTED ACTIVITY MAPPING FOR PANCHAYAT RAJ INSTITUTIONS

SUGGESTED ACTIVITY MAPPING AMONG THE THREE PANCHAYATI RAJ INSTITUTIONS

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Increasing Agricultural Production	1. Prepare comprehensive crop plan 2. Develop and maintain data base for cropping pattern, land use and inputs use for planning 3. Organise Kisan Melas, Fairs and Exhibitions 4. Protect bio-diversity 5. Promote profitable crop technologies	1. Assist ZP in organising Farmers fairs, Kisan Melas, etc. 2. Organise on-farm verification trials and demonstration of new technologies 3. Report and initiate action plans for different items 4. Coordinate activities of field level extension workers and officials 5. Act as a link between ZP and GPs for transfer of knowledge, 6. Help in crop yield estimation through maintaining links with various agencies, GPs and farmers, 7. Advise suitable cropping system based on location specific characteristics. 8. Arrange awards to progressive farmers.	1. Estimate crop yield and maintain data base regarding crops and cropping pattern, 2. Assist in preparation of crop plan, 3. Assist in advising farmers about remunerative crop activities and crop diversification 4. Assist in identifying progressive farmers for adoption and diffusion of new technologies 5. Help in providing custom hiring services for plant protection equipment and farm implements 6. Generate awareness in use of organic fertilisers and vermiculture

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Assessment and Distribution of Inputs	1. Prepare consolidated plan for input requirement 2. Acquire and arrange distribution of inputs in time 3. Improve adequate storage facilities for inputs 4. Monitor distribution of quality inputs	1. Assess inputs needs for GPs inputs and forward consolidated request to TP 2. Ensure timely availability of required inputs to GPs 3. Arrange storage and transport facilities for inputs close monitoring of inputs delivery system	1. Assist in assessing needs of various such as seeds, fertilizers, pesticides. 2. Assist in timely distribution of adequate inputs to farmers
Credit	1. Prepare credit plan 2. Ensure timely credit availability and linkage between agriculture development and credit institutions, and monitor credit mobilisation. 3. Help in strengthening of cooperative credit institutions	1. Assist in preparing credit plan 2. Ensure timely credit from formal institutions. 3. Monitor credit delivery system.	1. Assist in assessing credit needs of various groups of farmers and crops 2. Exercise social control and regulate interest areas and recovery of loans from formal and informal credit institutions, 3. Help in formation of self-help Groups

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Exten sion i suppo rt	1. Maintain linkage with research and training organizations, 2. Ensure regular visits of extension staff and help in dissemination of new technologies. 3. Ensure regular training of extension officials for updating their knowledge of advancements in technologies.	1. Prepare plan for visit of extension workers and monitor their work. 2. Advice and identify extension officials for training, 3. Assist scientists in identifying local problems for designing their research work relevant to local needs. 4. Ensure better linkages between farmers and extension staff. 5. Operate and run farmer service centres, Kisan Kendras and Raitha Samparka Kendras	1. Monitor the visit of extension workers to the village farms. 2. Identify suitable plots for conducting trials and demonstration 3. Select farmers for participating in Kisan melas and training.
Soil Testin g	Establish soil-testing laboratories. Monitor soil testing work	Monitor Soil testing work Help in identifying locations for soil testing work Help farmers for improvement of soil fertility in consonance with soil testing results	Assist technical experts in conducting soil tests. Help in ensuring feed back from soil testing to farmers.

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Post-harvest management	1. Establish and improve storage facilities 2. Develop marketing infrastructure at suitable locations 3. Monitor regulated marketing 4. Ensure correct weights and measures.	1. Maintain godowns 2. Organize marketing committees and maintain market yards 3. Regulate market charges and ensure correct weights and measures 5. Provide, manage and run market information systems 6. Ensure prompt payment to the farmers	1. Help in organizing farmers for group sale in bulk 2. Assist in increasing awareness about better storage facilities for seeds and food grains.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Risk Mana geme nt	1. Assess losses due to natural calamities and formulate relief plan 2. Monitor and supervise relief operations	1. Estimate crop losses and report action taken, 2. Monitor relief operations. 3. Assist in providing benefits from Crop insurance schemes. 4. Arrange crop insurance schemes and coordinate among insurance agencies 5. Prepare contingency agricultural plan	1. Report losses due to natural calamities and relief requirements 2. Supervise relief operations and distribution of material 3. Motivate and help in identifying farmers to take up crop insurance schemes. 4. Assist in the implementation of contingency plan.

Item: 2- LAND IMPROVEMENT, IMPLEMENTATION OF LAND REFORMS, LAND CONSOLIDATION AND SOIL CONSERVATION

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Imple- ment- ation of Land ceilin- g meas- ures	1. Coordinate with legally constituted machinery in all stages of its work and render necessary assistance to it either directly or through the TP and the GP as the case may be 2. Create Public opinion in favour of land ceiling and other measures of land reforms, 3. Monitor work in the ZP area and advise TPs and GPs on matters relating to implementation and monitoring.	1. Assist the legal machinery in conduct of legal proceedings (e.g. publication of notices in the entire area, identification of land in different GP areas etc.) 2. Co-ordinate the work between the GPs. 3. Compile GP wise data on land ceiling measures and individual monitoring progress of such measures for the TP area. 4. Assist the ZP in monitoring for the entire ZP Area	1. Identify potential surplus land owners and their total land in the GP area, 2. Assist the legal machinery in conduct of legal proceedings. 3. Identify families and individuals needing allotment of land. 4. Assist in organizing land development and productivity raising measures for allottees or groups of them.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Imple- menta- tion of Tenan- cy Meas- ures	1. Coordinate with the legally constituted machinery in all stages of its work and rendering of necessary assistance to it either directly or through the TP and the GP as the case may be, 2. Create of public opinion for facilitating the work 3. Monitor work in the ZP area and advise TPs and GPs on matters relating to implementation and monitoring.	1. Assist the legal machinery in its tasks	1. Assist in identification of tenancy including share-tenancy status, open as well as clandestine, 2. Assist the legal machinery in its task of securing as well as regulating tenancy rights, or conferring ownership rights. 3. Create public opinion and marshal of documentary and non-documentary evidence, particularly on the issue of use of the lands concerned.

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Land Consolidation	1. Create public opinion in relation to consolidation about to be undertaken or ongoing 2. Educate and inform land holders and land users how and when they are involved. 3. Monitor the operation in association with TPs and GPs.	1. Provide assistance to the legal machinery for consolidation 2. Coordinate with the legal machinery on a continuing basis	1. Secure active and continuing involvement of inhabitants of the local area at different stages of the operations. 2. Assist the legal machinery in compilation of undocumented data on issues such as possession and use of land, different gradation of land rights, status of common land and other common property 3. Assist the legal machinery in ensuring that after consolidation of assigned plots or holdings possession actually accords with the implemented scheme of consolidation.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Partic ipatio n in updati ng and maint enanc e Land recor ds	1. Coordinate with the designated legal machinery and official agencies working outside the ambit of the ZP administration	1. Assist GPs and other designated machinery in the maintenance and updating of records of ownership, possession etc. 3. Maintain updated records for the entire TP area for easy reference to them by the local inhabitants.	1. Assist in continuous updating of data relating to seasonwise use of agricultural land. 2. Periodically update the data relating to the actual status of village common land such as pasture, wasteland, water reservoirs, waterways, roads, embankments, etc. 3. Assist the legal machinery in updating of land records (record-of-rights) and mutation proceedings

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Protection and Maintenance of Village Commons etc.	1. Guide and coordinate the work of GPs & IPs. 2. Provide legal administrative and financial assistance to GPs & TPs as far as practicable, in the conduct of legal proceedings 3. Decide on disposal of village common property or their conversion to other uses with the concurrence of the GP concerned.	1. Coordinate the work of GPs where inter-GP collaboration is needed. 2. Coordinate with the legally constituted machinery involved in the matter	1. Primary responsibility for keeping all common property of local nature in good condition. 2. Keep watch over them so that they are not encroached upon or converted to uses not in the interest of the community. 3. Identify encroachment as well as conversion of illegal or wrong uses of commons and take action to evict such encroachers* 4. Provide assistance in and collection of evidence towards the conduct of the proceedings by such authority.

* Once we agree that land has to be within the Panchayat's administration, then one must make it clear that it is their duty to conduct eviction proceedings. This ensures greater credibility as far as recovery of taxes and land user charges are concerned.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Soil Conse rvatio n	1. Prepare district plan for soil and water conservation projects. 2. Desegrete this plan into TP level, GP level or even lower level deliverable units, 3. Harmonise the plan with other employment generating as well as area development plans Coordination with various agencies of the ZP as well as the district administration who will either participate in or whose work will impinge upon the implementation of the plan	1. Coordinate with officials of soil conservation machinery. 2. Inter GP coordination for smoothly carrying out soil conservation operations cutting across GP boundaries including creation of water channels	1. Assist the professional/official machinery for soil conservation work through helping group action by land owners, 2. Direct assistance in implementation e.g., organising owner labour as part of contributions of the cost of operations, 3. Post conservation vigilance to ensure that work done is not undone once again, 4. Create public opinion in favour of use of soil only in consonance with its properties, gradients etc., 5. Distribute subsidies and other assistance according to determined scales and priorities

MINOR IRRIGATION, WATERSHED MANAGEMENT AND WATERSHED

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Devel opme nt of MI syste m, draina ge syste m, water harve sting struct ures and water mana geme nt	1. Formulate MI projects 2. Technically appraise MI projects (outside TP purview) 3. Execute MI Projects outside TP and GP plan 4. Assign projects to TP and GP 5. Development of drainage system in water logged areas. 6. Sanctioning projects for percolation tanks, check dams and land leveling. 7. Supervise, monitor and review of the progress and quality of works by the subject committee. 8. Coordinate between various departments and agencies funding MI projects.	1. Formulate MI Projects 2. Technically appraise MI projects proposed in TP Plan, 3. Execute MI projects included in TP Plan 4. Execute MI Projects assigned by ZP. 5. Construct percolation tanks and check dams (outside GP plan).) 6. Supervision, monitoring and review of the progress, and quality of works by the Subject Committee. 7. Coordinate between various line departments / agencies funding for MI projects.	1. Assist in formulation of MI projects and ratification by Grama Sabha 2. Identify locations for projects 3. Execute Community MI Projects 4. Execute MI Projects assigned by ZP and TP, 5. Construct percolation tanks and check dams including projects assigned by the ZP and TP 6. Enforce inter-well distance (well density) as per prescribed norms. 7. Identify beneficiaries under various programmes for MI projects through Gram Sabha. 8. Supervise, Monitor and review progress, quality of work

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Water Man- age- ment	1. Propagate modern water management delivery methods 2. Propagate use of sprinkler and drip irrigation in drought prone / water scarce area.	1. Guide and motivate people to adopt modern methods of irrigation, on- farm development and proper maintenance of field channels, 2. Select beneficiaries for subsidized sprinklers, drip irrigation equipment and delivery system and supply them, including providing technical guidance to beneficiaries, 3. Organise farm demonstration for modern water management techniques	1. Identify beneficiaries through Gram Sabhas for subsidized sprinkler and drip irrigation system, 2. Constitute Neeru Panchayats for proper utilization of water including use for drinking purposes, 3. Encourage farmers for on-farm development and development of field channels / delivery system for proper utilization of water.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Water shed devel opme nt	1. Identify, select and approve watershed projects, 2. Promote watershed development approach in all areas for better management of natural resources and environment development, 3. Supervise, Monitor and review of the progress and quality of works by the Subject Committee	1. Prepare watershed project in inter-GP watersheds, 2. Organise people to form work committees, 3. Form technical team to assist GP in the implementation of watershed projects 4. Integrate various beneficiary oriented and area development oriented schemes to harmonise with watershed projects 5. Monitoring supervision and reporting progress. 6. Coordinate between various agencies and departments implementing watershed projects such as agriculture, forestry, DPAP and DDP	1. Participate in planning and implementation of watershed projects 2. Approve land/water use plan for watershed development through Grama Sabhas 3. Assist in constituting user/Beneficiary committees in the watershed for their direct participation in the execution of the project 4. Maintain community assets created under watershed project 5. Transfer land and other common properties for development and productive use under watershed development project 6. Supervise and monitor quality of works 7. Select beneficiaries and provide assistance to them for executing individual works under watershed

ANIMAL HUSBANDRY DAIRYING AND POULTRY

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Devel opme nt of livest ock	1. Assess the need and formulate projects for the establishment, improvement and maintenance of breeding farms for cattle, sheep, goats and hatcheries,	1. Distribute quality breeds to beneficiaries under various programmes 2. Propagate improved breed of livestock among farmers	1. Assist in identification of beneficiaries under various programmes 2. Motivate people to maintain quality breeds and adopt modern methods of maintaining livestock.
Veter inary Servi ces	1. Establish, improve and maintain veterinary hospitals, Dispensaries, Rural Livestock Units (RLUs) and AI Centres, 2. Procure and supply medicines, equipment and other materials to hospitals, dispensaries, RLUs and AI Centres 3. Monitor the functions of veterinary services.	1. Supervise the functioning of veterinary services in the TP, 2. Maintain mobile veterinary unit to provide veterinary care and control diseases and epidemics.	1. Supervise the functioning of RLU and AI service centres, 2. Report out-break of diseases and epidemics.

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Feeding and Fodder including support during droughts	1. Propagate production of nutritive fodder and promote proper feeding of animals, 2. Procure and establish fodder banks in drought areas	1. Organise cooperatives for fodder production and provide financial assistance, 2. Supply improved variety of fodder seeds, 3. Propagate modern methods of feeding to improve livestock productivity, 4. Supply fodder during droughts.	1. Help in establishing cooperative fodder farm. 2. Allocate community land for fodder production. 3. Control grazing and improve grazing and pasture lands. 4. Distribute fodder during droughts.
Dairy Development	1. Develop and assist Dairy Development Boards or Cooperatives in the development of infrastructure for milk collection, collection centres, transportation and processing.	1. Develop and open new milk routes for milk collection, 2. Promote milk producers, cooperative societies 3. Ensure timely payment to milk producers 4. This has to be done at GP level 5. supply quality milch animals.	1. Assist in organizing milk producers cooperative societies, 2. identify beneficiaries for dairy development programme 3. Select beneficiaries under various programmes
Poultry Development	1. Develop infrastructure for poultry farming. 2. Production and supply of quality chicks to poultry farmers.	1. Train Poultry farmers, 2. Arrange for the supply of poultry feed.	1. Identify beneficiaries for poultry farming. 2. Allot or lease community land for establishing poultry complex. 3. Select beneficiaries and establish poultry complexes for them under various programmes.

ITEM :5- FISHERIES

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Devel oping of Inlan d Fisher ies	1. Formulate Projects for fisheries development. 2. Technically appraise and approve projects for development of inland water bodies for fisheries 3. Establish fish seed production farms. 4. Formulate Projects for fisheries development. 5. Arrange training of fishermen in modern management techniques for fish production. 6. Procure and supply fishing equipment for distribution among selected fishermen's cooperatives and beneficiaries. 9. Monitor and supervise plan implementation.	1. Select beneficiaries for fisheries training. 2. Organise fishermen's cooperatives. 3. Distribute boats, nets and other equipment and give assistance to cooperatives and beneficiaries. 4. Monitor, supervise and report progress	1. Develop village pond for fisheries. 2. Lease village ponds to fishermen's cooperatives and groups 3. Identify beneficiaries for assistance under various programmes and assist them in organizing fishermen's cooperatives, 4. Assist TPs in the distribution of boats, nets and other equipment. 5. Supervise and report progress to TPs. 6. Execute fishpond and tank improvement projects.

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Development of Marine fisheries.	1. Procure and supply motorised and modern boats and equipment to selected groups of beneficiaries and cooperatives. 2. Develop brackish water fisheries. 3. Enforce environmental restrictions on marine aquaculture and brackish fish production activities 4. Install weather forecasting and early warning system for marine fishermen.	1. Select sites for marine aquaculture and brackish water fishing 2. Organise fishermen's cooperatives. 3. Distribute boats and equipment to selected beneficiaries and cooperatives 5. Monitor impact of marine aquaculture on environment	1. Identify beneficiaries and assist them in organising into fishermen's cooperatives. 2. Select Beneficiaries for assistance 3. Distribute boats and equipment to beneficiaries and cooperatives 4. Create awareness for and adopt safety measures during rough weather 5. Monitor the impact of Marine aquaculture on village environment and initiate impact mitigation measures
Development of Marketing Processing Infrastructure	1. Encourage private entrepreneurs to establish processing, packaging and storage facilities, 2. Assist in establishing other marketing infrastructure	1. Organise and train fishermen in processing, packaging and preservation of fish and fish products, 2. Develop tie-up arrangements between fishermen and processing units	
Welfare Measures	1. Promote group insurance schemes for fishermen, 2. Sanction relief to affected families during natural calamities,	1. Implement family and group insurance schemes for fishermen. 2. Distribute relief to families affected by calamities	1. Encourage fishermen to take up insurance schemes 2. Assess loss, damage and relief requirements of families affected by calamities

SOCIAL FORESTRY

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Social forest ry and Farm Forest ry	1. Promote Social Forestry and Farm Forestry 2. Promote and propagate social and farm forestry for improving ecology and environment. 3. Establish forest nurseries for supply of seedlings and saplings for distribution, 4. Propagate fuel fodder and timber producing plants and bio-diversity, 7. Organise vana-mahotsava	1. Identify degraded and wastelands and formulate social forestry projects, 2. Implement TP social forestry projects and those assigned by ZP 3. Plant trees along roads, rails and public places. 4. Produce and supply seedlings and saplings for social and farm forestry projects 5. Propagate fuel fodder and timber producing plants,	1. Identify degraded and waste lands for social and farm forestry and formulate projects with the support of the Grama Sabha, 2. Execute social forestry projects through village people, 3. Lease land to groups and individuals interested in social forestry on sharing basis, 4. Encourage private farmers for farm forestry and assist them 5. Distribute seedlings and saplings 6. Organise and participate in vana mahotsava 7. Ensure adequate production of fuel , fodder and timber for local use.
Mark eting of Fuel/ Fodde r and timbe r	1. Establish links for marketing of forest products		1. Collect, distribute and sell fuel, fodder and timber

ITEM: 7- MINOR FOREST PRODUCE

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Rege- nerati on of MFP specie s	1. Plan raising MFP plantation in concentrated blocks to facilitate collection and marketing. 2. Encourage cultivation of MFP in existing forest, degraded forest lands, barren and uncultivable area, and community wastelands. 3. Encourage plantation of MFP such as gum, resin, medicinal plants, aromatic plants, leaves, oil seeds, tans and dyes, grasses, seeds, canes, bamboo, etc. particularly in tribal areas. 4. Promoting plantation of MFP species in drought prone, desert areas and under social forestry activity under JGSY, particularly in tribal areas.	1. Establish MFP nurseries for propagation of MFP species.	1. Assist in identification of families willing to plant MFP species 2. Distribute MFP seedlings for plantation.
Traini ng	1. Organise training for scientific tapping of gums, resins, and grading of MFPs	1. Organise training at the TP level.	1. Select and forward trainees names to the TP
MFP Colle ction,	1. Monitor MFP collection activities in forest ranges, 2. Timely payment of collection	1. Organise itemwise MFP cooperatives like Tendu leaf	1. Organise pruning operation of Tendu trees before the leaf plucking season

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Proce ssing, and marke ting charg es.	1. Set up small scale industrial units for value addition to MFPs. 2. Fix support prices for MFP procurement. 3. Establish godowns for storage of MFPs. 4. Strengthen market intelligence and market extension	1. Liaise with forest department for constitution of Joint Forest Management Committee for MFP regeneration collection, processing and marketing. 2. Ensure value addition to MFP before it leaves the forest area	1. Promote collection primary processing and value addition to MFP before selling. 2. Ensure timely payment and adequate collection charges to MFP collectors.

ITEM: 8- SMALL SCALE INDUSTRIES INCLUDING FOOD PROCESSING INDUSTRIES,

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Indust rial Resou rce potent ial surve y	1. Formulate Projects by the DIC in coordination with KVIC/KVIB and other agencies based on Industrial Resource Potential survey.	1. Assist industrial resource potential survey.	1. Assist survey and project formulation.
Devel opme nt of Infras tructu re	1. Develop inter-linkages in institutions and organisations 2. Establish small industrial estates at suitable locations and develop other related infrastructure activities. 3. Identify location and develop food processing complexes.	1. Establish small rural industrial estates and complexes,	1. Identify suitable locations for rural industries.
Entre prene ur Devel opme nt		1. Organise entrepreneurial Development Programmes 2. Select entrepreneurs and encourage private investments. 3. Establish Industrial counseling Information and guiding centres 4. Assist entrepreneurs in formulating viable projects, and cooperative industrial projects.	

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Credit and financial assistance from various Government Departments and Agencies	1. Provide information and guidance about credit facilities and other financial incentives. 2. Coordinate credit support activities with financial institutions.	1. Assist in providing financial and other help to small industries.	

ITEM: 9- KHADI, VILLAGE AND COTTAGE INDUSTRIES

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Plann ing, Monit oring and Super vision	1. Consolidate plans prepared by TPs for Khadi, Village and Cottage industries including artisan activities. 2. Monitor and supervise the overall progress in this sector, and ISB sector of SGSY	1. Prepare plan for Khadi, Village and Cottage Industries and other artisan activities integrating schemes of other agencies such as KVIC/KVIB/ Handloom/Handicraft Development	1. Assist TP in identifying potential activities and formulation of projects.
Traini ng Skill Devel opme nt and Trans fer of techn ology to benefi ciarie s	1. Establish and identify Training Centres for Skill Development. 2. Allocate and sanction funds for Training and stipend to the trainees 3. Identify appropriate technologies and arrange for their transfer to workers.	1. Select beneficiaries for Training and Skill development and nominate them to training Institutes, 2. Arrange master craftspersons 3. Pay stipend to beneficiaries and honorarium / training cost to the trainers. 4. Transfer and upgradation of technology in different areas of production.	1. Identify beneficiaries for training through Gram Sabha.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Infras- tructu- re Devel- opme- nt	1. Arrange supply of raw material, equipment, and other inputs to workers. 2. Tie up arrangements for marketing of products through Government and non-government marketing agencies. 3. Set up retail show rooms for products 4. Encourage cooperatives for production and marketing of products	1. Supply of raw material, equipment and other inputs to beneficiary workers. 2. Coordinate programmes of various agencies for infrastructure development such as construction of common workplaces, worksheets and market complexes. 3. Organise Cooperatives for production and marketing of products	1. Assist in Distribution of raw material equipment, etc. 2. Allow beneficiaries to use locally available raw material 3. Construct common worksheds / workplaces and market complexes.
Credit and financ- ial suppo- rt	1. Ensure credit support through credit plan. 2. Monitor and supervise credit flow and financial assistance from other agencies to cooperatives and individual units.	1. Ensure credit support. 2. Assist beneficiaries in formulating project plan. 3. Arrange for subsidy and financial support under various programmes to the beneficiaries. 4. Monitor, supervise and report progress.	1. Identify beneficiaries for financial support under various programmes 2. Assist loan recovery

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Credit and financial assistance from various Government Departments and Agencies	1. Provide information and guidance about credit facilities and other financial incentives. 2. Coordinate credit support activities with financial institutions.	1. Assist in providing financial and other help to small industries.	

ITEM: 9- KHADI, VILLAGE AND COTTAGE INDUSTRIES

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Plann ing, Monit oring and Super vision	1. Consolidate plans prepared by TPs for Khadi, Village and Cottage industries including artisan activities. 2. Monitor and supervise the overall progress in this sector, and ISB sector of SGSY	1. Prepare plan for Khadi, Village and Cottage Industries and other artisan activities integrating schemes of other agencies such as KVIC/KVIB/Handloom/Handicraft Development	1. Assist TP in identifying potential activities and formulation of projects.
Traini ng Skill Devel opme nt and Trans fer of techn ology to benefi ciarie s	1. Establish and identify Training Centres for Skill Development. 2. Allocate and sanction funds for Training and stipend to the trainees 3. Identify appropriate technologies and arrange for their transfer to workers.	1. Select beneficiaries for Training and Skill development and nominate them to training Institutes, 2. Arrange master craftspersons 3. Pay stipend to beneficiaries and honorarium / training cost to the trainers. 4. Transfer and upgradation of technology in different areas of production.	1. Identify beneficiaries for training through Gram Sabha.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Infras- tructu- re Devel- opme- nt	1. Arrange supply of raw material, equipment, and other inputs to workers. 2. Tie up arrangements for marketing of products through Government and non-government marketing agencies. 3. Set up retail show rooms for products 4. Encourage cooperatives for production and marketing of products	1. Supply of raw material, equipment and other inputs to beneficiary workers. 2. Coordinate programmes of various agencies for infrastructure development such as construction of common workplaces, worksheets and market complexes. 3. Organise Cooperatives for production and marketing of products	1. Assist in Distribution of raw material equipment, etc. 2. Allow beneficiaries to use locally available raw material 3. Construct common worksheds / workplaces and market complexes.
Credit and financ- ial suppo- rt	1. Ensure credit support through credit plan. 2. Monitor and supervise credit flow and financial assistance from other agencies to cooperatives and individual units.	1. Ensure credit support. 2. Assist beneficiaries in formulating project plan. 3. Arrange for subsidy and financial support under various programmes to the beneficiaries. 4. Monitor, supervise and report progress.	1. Identify beneficiaries for financial support under various programmes 2. Assist loan recovery

ITEM: 10: RURAL HOUSING INCLUDING INDIRA AWAS YOJANA

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Appr oval of TP's plan and sancti oning of fund for rural houi ng sche mes	1. Determine design and unit cost for guidance to GPs keeping in view technical advice and beneficiary needs 2. Procure and supply of building materials	1. Assist GPs in execution of housing projects	1. Identify beneficiaries and prepare lists through Gram Sabha. 2. Acquire land for housing layouts, 3. Assist in allotment and distribute housing and house sites. 4. Constitute beneficiaries committee. 5. Execute construction work. 6. Provide assistance in the distribution of building material.
Super vision and monit oring of rural houi ng sche mes			1. Supervise construction quality, use of material and report progress.

ITEM: 11-DRINKING WATER

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Development of water supply system	1. Formulate major water supply schemes 2. Technically appraise and approve schemes proposed by TPs and GPs. 3. Award contracts for the execution of major schemes outside TP and GP plans 4. Establish water testing laboratories for control of chemical and biogenic impurities.	1. Formulate projects and seek technical approval from ZP 2. Construct schemes within the prescribed cost limits for TPs.	1. Identify schemes and locations, estimate cost and formulate projects through the involvement of Gram Sabha. 2. Construct wells, tanks and village water supply schemes of its own or as assigned by the ZP or TP 3. Periodically chlorinate open wells and treat water 4. Ensure proper distribution of water to all households in its villages. 5. Collect water sample for testing
Monitoring rural water supply schemes	1. Monitor and supervise the progress, quality of work and target achievement	1. Monitor and supervise progress and quality of works.	1. Monitor scheme implementation and report progress,
Maintenance of water supply system			Maintain drinking water schemes, collect water charges and appoint operators wherever necessary

ITEM: 12- FUEL AND FODDER

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Produ- ction of Fuel and Fodde- r	1. Build awareness for use of fuel- efficient devices and improved fodder species. 2. Consolidate assessments of fodder and fuel demands for the district Plan and coordinate fuel and fodder production activities	1. Identify wastelands and degraded lands for taking up fuel and fodder plantation.	1. Assess fuel and fodder requirements. 2. Select species and sites for fuel and fodder plantations 3. Identify beneficiaries for fuel and fodder demonstration plots, 4. Undertake plantation activities. 5. Maintain and protect fuel wood plantations and fodder plots in community or panchayat lands 3. Decide mechanism and oversee the distribution of fuel and fodder produced from community lots 4. Identify sites for fodder nurseries. 5. Coordinate nursery establishment programme. 6. Distribute fuel efficient wood stoves and smokeless chulhas

ITEM: 13- ROADS, CULVERTS, BRIDGES, FERRIES, WATERWAYS AND OTHER MEANS OF COMMUNICATION

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Devel opme nt of road netwo rk and acces sibilit y	1. Survey, technical feasibility, road alignment, and formulate road development projects. 2. Approve, allocate and sanction funds, 3. Assist in acquiring land, assess grant of compensation 4. Award contracts for procurement of material and equipment for construction of roads and bridges and make supplies 5. Monitor specifications of roads and bridges and supervise quality of works	1. Identify villages as per MNP norms inaccessible by all weather road and formulate projects for construction of link roads connecting more than one TP. 2. Survey, technical feasibility, sanction of funds 3. Acquire land, assess and grant compensation. 4. Construct roads using local labour without contractors. 5. Provide technical assistance for road construction projects proposed by GPs. 6. Monitor the specifications of roads and bridges and supervise of the quality of works and reporting progress to the DP.	1. Assist in formulating road construction projects and obtain approval through Gram Sabha. 2. Seek technical advice, feasibility and approval from TP engineers, 3. Allocate, approve and sanction funds. 4. Construct village link roads and village lanes through works committees, using village labour without contractors 5. Monitor and supervise quality of works through work committee and report progress to IP

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Improvement and Maintenance of the existing roads / culverts and bridges	1. Conduct traffic volume survey and identify road sections needing improvement in capacity. 2. Convert ordinary district roads into blacktopped roads 3. Carry out annual repair and maintenance of roads, culverts and bridges. 4. Approve, allocate and sanction funds for all types of improvement and annual maintenance work and award contracts 5. Monitor and supervise the quality of works.	1. Convert TP roads into black topped roads 2. Undertake annual repairs and maintenance of roads, culverts and bridges 3. Approve, allocate and sanction funds for improvement and maintenance of IP roads. 4. Monitor and supervise quality of works and report progress.	1. Assess costs of improvement, repair and annual maintenance of village roads. 2. Raise funds through government or own sources and donations with the help of Gram Sabha 3. Execute works through work Committee
Development of water ways, ferrying, ferry services, etc.	1. Identify waterways suitable for construction of jetties for ferry services. 2. Purchase ferries and contract private operators for ferry services 3. Deepen and dredge waterways. Regulate ferry services	1. Inspect ferries and boats and maintain vigilance on services and traffic regulations.	

ITEM: 14- RURAL ELECTRIFICATION INCLUDING DISTRIBUTION OF ELECTRICITY

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Expa nsion of electri ficati on	1. Assess un-electrified villages, hamlets and colonies and formulate projects for their electrification in coordination with KPTCL	1. Assist in obtaining power connection for poor and SC/ST families under various programmes 2. Monitor and reporting progress of energisation of irrigation pumpsets	1. Find land for installing electric electrification transmission poles. 2. Maintain and operate street lights
Monit oring power suppl y	1. Ensure power supply for agriculture during critical periods. 2. Exercise vigilance against power theft and illegal connection	1. Monitor power supply for agriculture and assist in checking power theft and illegal connections.. 	1. Report position during power supply prime crop season. 2. Exercise Vigilance and report against power theft and illegal connections.

ITEM :15, NON.CONVENTIONAL ENERGY

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Asses sment of distric t's energ y requir ement	1. Consolidate TPs plans for energy requirement and supply through non- conventional means	1. Formulate projects for use of non- conventional sources of energy in the TP	1. Assist TP in identification of potential sources of non- conventional energy devices requirement such as gobar gas, bio- mass, solar energy and wind energy
Prom oting non- conve ntiona l sourc es of energ y which includ es install ations of solar panel s, wind mills and gobar gas plants and exten sion educa tion	1. Promote non- conventional energy devices and sources, 2. Promote and popularise energy saving devices, 3. Coordinate different agencies including NGOs for promotion of alternative sources of energy	1. Procure and supply material and equipment for the projects. 2. Assist in identifying suitably locations and select individual beneficiaries for installation of community and private sources of energy. 3. Train users in the maintenance of non- conventional energy devices. 4. Monitor and supervise the operation and functioning of the projects	1. Assist in identification of beneficiary for individual biogas plants and other devices. 2. Organise beneficiary training 3. Monitor functioning of NCE devices

ITEM: 16- POVERTY ALLEVIATION PROGRAMMES

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Planning and implementation of Poverty Alleviation Programmes	1. Coordinate with other departments and agencies 2. Develop training infrastructure 3. Allocate funds for training and stipend for trainees. 4. Procure and supply quality assets, machinery and equipment for beneficiary schemes 5. Develop marketing infrastructure marketing network for SGSY self help group products 6. Prepare plan for poverty alleviation programmes at district level. 7. Assist in extending technical assistance for planning at GP and TP level. 8. Supervise and review implementation of different poverty alleviation programmes 9. Review schemes implemented in Drought Prone Areas.	1. Assist GPs in providing technical and managerial assistance for implementation of schemes entrusted to TPs 2. Collect and distribute data regarding development and management at the district level 3. Assist in the evaluation of schemes. 4. Release of funds to banks for subsidy adjustment, formulation of credit plans through banks 5. Prepare plans at the block level under SGSY for filling up gaps in technology, marketing tie-ups, training, strengthening infrastructure and market facilities. 6. Assist GPs in organizing self-help groups and implement cluster strategies 7. Review plans prepared by the GPs and accord technical approval and assistance 8. Draw action plans, get	1. Identify beneficiaries under SGSY and other individual beneficiary oriented poverty alleviation schemes, JGSY and other employment generation programmes entrusted to GPs after approval of Grama Sabha. 2. Utilise JGSY for the development of infrastructure in the GP. 3. Assist TP for the distribution of identity cards under Employment Assurance Scheme, 4. Put up information boards about all the works taken up under Employment Assurance scheme. 5. Assist the TP in preparation of plans for land development schemes coming within TPs purview 6. Select beneficiaries in Drought Prone Areas Programme. 7. Identify eligible beneficiaries under Samagra Awaas Yojana 8. Ensure proper utilization

	10. The ZP in active cooperation with the TP and District Planning Committee may arrange decentralized Planning. 11. Review and supervise schemes implemented under the grants recommended by the Central Finance Commission for local bodies 12. Review implementation of Rural Sanitation and Water Supply scheme. 13. Implement and supervise Employment. 14. Review Central Rural Sanitation Programme. 15. Plan and review Biogas plants schemes for individuals and community. 16. Undertake Planning and review of smokeless chulhas scheme and National Project on Improved Chulhas.	technical approvals and funds allocated under land development scheme. 9. TPs can implement schemes with the help of GPs and integrate other programmes with poverty alleviation schemes 10. Assist in supervision of works under District Decentralized Plan 11. Plan and implement infrastructure development by rural local bodies. 12. Plan and implement Integrated Rural Sanitation and Water Supply Scheme. 13. Arrange practical demonstration under smokeless chulhas scheme	of funds of Central Finance Commission by local bodies and ensure that the scheme works permitted within GPs are completed. 9. Identify beneficiaries under Rural Sanitation Programme and provision of Drinking Water schemes. 10. Arrange live demonstration under smokeless chulhas scheme and identification of beneficiaries under National Project on Improved Chulhas and Sanitation Programme. 11. Undertake the national project on improved Chulhas and Sanitation.
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Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Wage Empl oyment progr amm es	1. Prepare ZP level shelf of projects and desegregate it into plans that can be implemented by TP and GP plans. 2. Formulate projects outside TP and GP 3. Assign projects to TPs, GPs, NGOs and various other agencies and departments for execution. 4. Approve, sanction and release funds to TPs, GPs and other organizations for the execution of ZP projects. 5. Release funds to TPs as per prescribed norms 6. Provide funds for maintenance of assets created under JGSY / EAS etc. 7. Inspect muster rolls and check quality of works and wage material ratio as per guidelines, 8. Monitor and supervise progress of programmes. 9. Submit quarterly returns and utilization certificates to GOI and State Government for release of next installments.	1. Formulate projects with TP funds, 2. Scrutinise and grant technical approval to GP Projects. 3. Procure and supply material for projects. 4. Technically assist GPs for executing projects. 5. Execute projects outside GPs plans. 6. Inspect muster rolls, quality of work, assets created and mandays generated by projects executed by IP and GPs.	1. Assist in identification of labourers in the village requiring wage employment through Gram Sabha, list them and provide employment cards to beneficiaries. 2. Formulate projects and get approval through Gram Sabha and seek technical approval from TP. 3. Constitute works committee for execution of works and projects. 4. Ensure employment to all in the village 5. Distribute projects and works as per norms 6. Monitor and supervise quality of works, assets created and mandays generated.

ITEM: 17. EDUCATION INCLUDING PRIMARY AND SECONDARY SCHOOLS

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Expa nsion and devel opme nt of educa tional facilit ies.	1. Assess the requirements of schools, teachers, equipment, etc. in the district and plan for them. 2. Maintain school buildings and related infrastructure. 3. Supervise and monitor quality of educational services. 4. Campaign for full enrollment and reduction of dropouts.	1. Supervise the functioning of primary and upper primary schools 2. Supply and distribute material and equipment to schools. 3. Assess the drop out position and initiate appropriate action to reduce it.	1. Ensure full enrollment of school age children 2. Maintain school buildings, and play grounds, 3. Exercise vigilance on regular attendance of teachers and students and report to the concerned.

The other option could be that instead of having this kind of a system, one could have a grade-wise system, where all responsibilities with respect to primary education can be with the Gram Panchayat and secondary schools with the Taluk Panchayat. In such a case the only thing that would be need to be centralized is the examination and invigilation system.

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Establishment and maintenance of hostels, and other welfare measures for target group students.	1. Assess and plan hostel requirements for target group students 2. Maintain hostels. 3. Supply school uniforms and books for target group students.	1. Distribute school uniforms, books and other materials to target group students. 2. Assist in the maintenance of hostels,	1. Assist TPs in the distribution of study material to target group students.

ITEM :18- TECHNICAL TRAINING AND VOCATIONAL EDUCATION

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Establ ishme nt and maint enanc e of ITIs	1. Establish and maintain ITIs 2. Assess and plan for technical training 3. Assess vocational education needs 4. Supervise and monitor functioning of ITIs	1. Conduct aptitude tests for selection of students under various trades 2. Recommend for admission and placement in ITIs	
Prom otion and identi fying suitab le cours es for vocati onal accor ding to the needs and potent ial of differ ent areas in educa tion	1. Select courses for vocational education and identify education schools and centres for important courses 2. Motivate students for vocational training	1. Assist in the promotion of vocational education in schools and centres 2. Select candidates and students for vocational courses	1. Assist in identification and recommend eligible candidates for vocational education and training

ITEM 19 ADULT AND NON-FORMAL EDUCATION

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Plann ing and imple menta tion of adult and non- forma l educa tion Total Litera cy Camp aign	1. Identify suitable locations for establishing adult education centres.	1. Implement Adult and non-formal education programmes and total literacy campaigns	1. Help in mobilising people for participation in Adult education and TLC campaigns
	2. Select volunteers and supervisors for teaching and maintenance of centres	2. Distribute material to the centres	2. Supervise and assist in functioning of centres and ensure regularity of learners and volunteers.
	3. Procure and supply all relevant infrastructure and educational material to centres.		3. Supervise and monitor functioning of the centers
	4. Supervise and monitor activities of adult education centres		
	5. Organise total literacy campaign		

The powers of Grama Sabha clearly include promoting of adult education. There is no need to have anything done at the ZP level. The time utilized in running to the ZP to get clearances and sanctions, which will be inevitably the case, could be better spent in addressing the requirements of the programme.

ITEM – 20 LIBRARIES

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Establ ishme n1 and maint enanc e of librari es	1. Plan for establishment of new libraries and maintain and improve existing ones 2. Procure and supply books, reading material and popular literature	1. Assist in the maintenance and functioning of libraries	1. Assist in the construction of library building 2. Up-keep of library 3. Raise donations and collect books for library 4. Subscribe to vernacular news papers and magazines

ITEM -21 : CULTURAL ACTIVITIES

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Prom otion of Cultu ral activit ies	1. Guide, encourage and organise cultural programmes 2. Utilise available popular media for cultural affairs 3. Organise youth festivals, sports events on dates of national and state importance 4. Establish sports complexes, theatres and other infrastructure 5. Identify and mobilise sponsors for cultural and sports events and youth festivals 6. Maintain and supervise the functioning of Nehru Yuvak Kendras	1. Organise local festivals with the help of GPs 2. Plan and organise sports and cultural meets with the help of local organisations and voluntary efforts	1. Organise sports festivals and cultural events in villages using folk media for strengthening of national integration, family planning campaign, literacy, sanitation, etc.

ITEM -22 : MARKETS AND FAIRS

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Identi- ficati- on of locati- on and devel- opme- nt of marke- t yards	1. Identify locations and develop marketing yards and infrastructure for marketing rural products and formulating projects.	1. Develop and maintain agricultural market yards, 2. Develop and maintain places for fairs/shandies and weekly markets	1. Maintain village fairs and weekly markets, 2. Construct market complex within the GP.
Regul- ating whole sale and retail marke- ts, super- vision and monit- oring of marke- ting activit- ies	1. Regulate wholesale and retail markets 2. Supervise and monitor marketing activities 3. Supervise District service and marketing societies	1. Enforce fair trade practices and maintain quality of commodities 2. Assist in the maintenance of statistics on prices and commodity traded 3. Maintain statistics on prices and commodities transacted within the district.	

ITEM -23: HEALTH AND SANITATION, INCLUDING HOSPITALS. PRIMARY HEALTH CENTRES AND DISPENSARIES

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Health care	1. Plan through health committees to provide physical infrastructure 2. Coordinate communicable diseases programme with the State 3. Coordinate construction and maintenance and supervise of PHCs 4. Maintain district ISM (Indian System of Medicine) hospitals 5. Periodically conduct Epidemiological surveys 6. Promote school health programmes 7. Organise health awareness rallies and camps	1. Assist in supervision and maintenance of sub-centres and deployment of field staff 2. Supervise mid-day meals schemes for school children 3. Organise health and family welfare camps and conduct demonstration- cum- exhibition programmes on, health, family welfare and sanitation. 4. Assist in supervision of Indian Systems of Medicine (ISM) dispensaries.	1. Assist in formation of village health committees comprising Panchayat members, representatives of villagers, village health guide (VHG) Trained Birth Assistant (TBA) and Multi-purpose Health Workers 2. Upkeep of village sanitation, cleaning of roads and drainage 3. Mobilise and organise people for health and family planning and immunisation camps. 4. Coordinate and supervise construction of sanitary latrines

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Sanit ation	1. Plan rural sanitation programmes 2. Promote Information, Education and Communication (IEC) campaigns	1. Organise and supervise sanitary marts. 2. Formulate plan for assisting in the construction of sanitary latrines. 3. Assist in inspection /assessment of quality of public health inputs and services.	1. Chlorinate village tanks and wells and spraying of DDT . 2. Assist in construction of individual sanitary latrines 3. Report of outbreak of epidemics 4. Assist in coordinating emergency medical relief services

ITEM -24 : FAMILY WELFARE

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Maternal and Child Health (MCH) Centres	1. Plan for Family Welfare (FW) programme 2. Establish and maintain MCHs. 3. Supply medicines and equipment to MCHs 4. Train mid-wives and para medical functionaries 5. Coordinate with state/international agencies 6. Provide immunisation services 7. Propagate family planning methods, procure supply and distribute contraceptives 8. Organise family planning and immunisation camps 9. Identify and approve NGOs for FW 10. Organise IEC/Health and FW promotional campaigns. 11. Promote school Health Programmes.	1. Distribute medicines, equipment and family planning materials to centres. 2. Propagate and create awareness about maternal and child care immunization and family planning schemes. 3. Coordinate and assist in monitoring and supervision of family welfare and family planning services 4. Assist in organising family planning and immunisation camps 5. Organise IEC Health and FW promotional campaigns Distribute materials, medicines and equipment to ICDS Promote school health programme centres. Assist beneficiaries, mothers and children. 6. Distribute materials, medicines and equipment to ICDS Promote school health programme centres. 7. Assist beneficiaries, mothers and children.	1. Assist in propagation of maternal child care, family planning and immunisation programmes 2. Assist in identification and recommendation of beneficiaries for maternity aid under NSAP and related schemes 3. Assist in maintenance and supervision of Anganwadies 4. Identify beneficiary mothers and children 5. Supervise the activities of ANMs and Anganwadi workers 6. Collect vital statistics (e.g. births, deaths etc.)

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
	12. Plan supervise and monitor ICDS 13. Procure, supply and distribute meals for children, medicines and equipment for ICDS centres. 14. Train ANMs and others 16. Laise with State/ National level health programmes		

ITEM -25 : WOMEN AND CHILD DEVELOPMENT

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Socio econo mic devel opme nt of wome n	1. Promote equal opportunity to women in all sectors of development -social economic and political. 2. Mobilise social support against social evils like dowry, sex determination, gender biases like killing girl child at birth, discrimination in educating girl child, etc. 3. Promote opportunities for women to engage themselves in income generating activities. 4. Protect the interests of women workers in the unorganised sector. 5. Ensure payment of minimum wages to women agricultural labourers.	1. Propagate the message of equal opportunity to women in all sectors of development 2. Mobilise social support against social evils that discriminate against women. 3. Identify income generating activities for women	1. Generate awareness among women about their rights. 2. Promote self-help groups of women
Mater nity benefi t	1. Help pregnant women receive maternity benefits under the National Maternity Benefit Scheme.	1. Generate awareness among women about maternity benefit scheme, proper age of marriage and small family norm	1. Identify pregnant women eligible for maternity benefit scheme, and help them in getting benefits.

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Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Devel opme nt of Wom en and Child ren in Rural Areas (DW CRA)	1. Supervise, guide and support district level officials concerned with the implementation of DWCRA programme 2. Prepare district annual action plan through consolidation and aggregation of village and block level plans. 3. Appraise resources and conduct market surveys to identify demand based income-generating activities. 4. Prepare annual action plan for DWCRA in line with the credit plan 5. Ascertain the availability of funds for women and child welfare 6. Identify active NGOs for the implementation of the Programme 7. Ensure coordination in converging services. 8. Set up infrastructure facilities in support of the programme.	1. Prepare annual action plan 2. Assist ZP & GP in organizing training programmes, workshops and meetings. 3. Ensure convergence of services in coordination with other departments at GP level 4. Mobilise and organise women through NGOs for implementation of programmes	1. Assist in development of data base for women and child development programmes 2. Prepare annual action plan 3. Assist ZP and TP in identification of women beneficiaries 4. Assist in identification and selection of demand based income-generating activities for women groups. 5. Assist in conducting credit camps to provide access to credit for women groups from financial institutions 6. Assist in organizing self help/thrift and credit groups as an entry point to the programme 7. Assist in conducting training programmes in a. awareness building b. gender sensitization c. leadership and d. skill development (TRYSEM)

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
			8. Maintain infrastructure facilities like drinking water, sanitation, anganwadi centers primary schools, common worksheds and provide accommodation for front line workers 9. Assist in ensuring convergence of services to women groups; literacy, health, immunisation and family welfare 10. Assist women groups in procuring raw materials

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Integr ated Child Devel opme nt	1. Supervise, guide and support Services (ICDS) for implementation of ICDS projects 2. Monitor functioning of the Scheme in the district 3. Promote people's participation in programmes through involvement of local leadership. 4. Coordinate with the District Collector for elimination of child labour.	1. Supervise project staff of women and child welfare department 2. Assist officers concerned with the programme in procurement and distribution of nutrition material and other medical supplies. 3. Provide infrastructural facilities and other logistic support to facilitate implementation of the programme 4. Identify child labour working in hazardous and other occupations	1. Assist ICDS staff in TPs in conducting surveys 2. Assist in selection of beneficiaries 3. Assist in selection of sites for locating Anganwadi centers 4. Ensure community participation through organizing regular meetings 5. Involve women GP members in supervising the functioning of Anganwadi centres particularly while ensuring attendance in the center, maintenance of cleanliness and hygiene, supplementary nutrition in terms of dietary schedule and timings, proper child care and meeting of educational needs, regular health check up and immunization 5. Assist in the distribution of nutrition and conduct of regular health check-up 6. Construct Anganwadi Centres in GPs

ITEM-26 : SOCIAL WELFARE, INCLUDING WELFARE OF THE HANDICAPPED AND MENTALLY RETARDED

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Welfa re of the Disab led	1. Survey and classify disabled persons according to the nature of disability 2. Make available text books in Braille to visually handicapped children in the schools. 3. Facilitate easy access to and mobility with buildings and public places for persons with disability especially for people on wheel chair and persons with visual disabilities. 4. Inspect, supervise and monitor voluntary organisations receiving grant-in-aid from the Ministry of Welfare Government of India for rehabilitation of persons with disability 5. Identify and promote voluntary organisations receiving grant –in-aid from the Ministry of Welfare, Govt. of India for rehabilitation of leprosy patients.	1. Identify disabled persons and coordinate with ZPs for their rehabilitation	1. Assist in identification of disabled persons and coordinate with Block and Zilla Panchayats for their rehabilitation.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
	6. Identify voluntary organisations and assist them to set up Special Schools for disabled persons with Grant-in-aid from the Ministry of Welfare. 7. Coordinate with organisations and government in getting assistance for purchase of aids and appliances for disabled persons. 8. Coordinate with Special Employment Exchanges and Vocational Rehabilitation Centres for assisting disabled persons to secure employment. 9. Coordinate with District Rehabilitation Centres for providing rehabilitation services to disabled persons. 10. Organise Sports Meet and Cultural Programmes for people with disabilities.		

Activity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Street Children	1. Identify street children suffering from destitution, neglect, abuse and exploitation and help them in getting integrated community based non-Institutional basic services through voluntary organisations who get grant-in-aid from Ministry of Welfare, Government of India.	1. Identify street children and coordinate with the ZP for their development	1. Assist in identification of street children Coordinate with the TP and ZP for rehabilitation and development
Adoption of Children	1. Identify voluntary organisations which deal with the adoption of destitute, abandoned, orphaned and relinquished children by giving the child for growth and development to parents other than the child's biological parents, and help in the adoption of orphaned children.	1. Identify parents willing to adopt children and coordinate with the District Panchayat for their growth and development	1. Assist in identification of parents willing to adopt children and coordinate with the TP and ZP for their growth and development.
Welfare of the Aged	1. Identify destitute and aged persons and help them in taking shelter in voluntary organisations which receive grant-in-aids from the Ministry of Welfare State Governments for running Old Age Homes; and for giving old age pension	1. Identify the aged and coordinate with the ZP for their maintenance, and giving old age pension.	1. Assist in identification of the aged and coordinate with the ZP and TP for their maintenance and giving old age pension.

Acti- vity	Distribution of Functions		
	Zilla Panchayat	Taluk Panchayat	Grama Panchayat
Drug use Preve ntion	1. Build awareness and educate people about ill-effects of drug abuse and prevent it 2. Assist drug addicts through a well rounded up programme of motivation, counseling, treatment, follow up and social reintegration of cured drug addicts at Counseling Centres for drug addicts run by voluntary organisations for which they get grant in-aid from the Welfare Ministry 3. Take drug addicts to counselling, de-addiction and after care centres, deaddiction and awareness generating camps for their rehabilitation	1. Build awareness and educate people about ill-effects of drug abuse and prevent it 2. Coordinate with the ZP for their rehabilitation 3. Take drug addicts to counselling, de-addiction and after care centres, deaddiction and awareness generating camps for their rehabilitation	1. Assist in building awareness and educating people about ill effects of drug abuse and prevent it. 2. Coordinate with the ZP and TP for the rehabilitation of drug addicts 3. Take drug addicts to counselling, de-addiction and after care centres, deaddiction and awareness generating camps for their rehabilitation

ANNEXURE 3

Rationalisation and Convergence of Schemes and Untying of funds

Details furnished in this Annexure:

This annexure deals with details of all schemes operated in the Plan side of the District sector of the Annual plan, unless otherwise mentioned. Apart from the district sector, several schemes implemented in the district are classified as State Sector schemes. These schemes have been kept out of this analysis. However, this is not to say that there is no need to undertake an exercise in this respect too. This process of rationalization would mean closure of schemes that either have too little of funding or duplicates outcomes. (this leads from para 5.92, page 79 of the report).

The first step in analyzing these schemes is the classification of departments on the basis of the broad outcomes that they address. (Please see page 76 of the report). For clarity's sake, this outcome classification is repeated below:

Sl no	Outcome Classification	Department
1	Education HRD	Primary and Secondary Education Mass Education Youth Services and Sports
2	Health HRD	Health and Family Welfare Women and Child Welfare Indian systems of Medicine
3	Agriculture (the primary sector)	Agriculture Animal Husbandry Fisheries Forest Horticulture Social Welfare (some schemes) Sericulture
4	Entrepreneurship Development (the secondary sector)	Industries Cooperation Textiles
5	Rural development	Rural Development
6	Roads	Rural Development Social Welfare
7	Drinking water	Rural Development Social Welfare
8	Planning	Planning Rural Development
9	Social justice	Social Welfare, including SC&ST welfare and BCM welfare Women and Child Welfare

The untying process:

Depending on the degrees of flexibility that ensues, the process of untying schemes has been classified into two levels, namely, 'First order' and 'Second order' untying. What these processes mean is described below:

First order untying	Convergence of schemes within the department (such as salaries)
Second order untying	Closure and convergence into a inter-departmental untied fund, which could be shared by departments falling within the same outcome classification as given above

There could be a 'Third order' of untying, where schemes could convergence even beyond the confines of the outcome classification, into broad and common expenditures. However, we have not attempted to undertake an exercise in 'third order' untying, since we believe that the process should naturally emerge from innovations that build on experiences with first order and second order untying.

A detailed analysis of schemes for the purpose of suggesting what should be the subject of each order of untying is described in the following pages. All figures are Rs. in Lakhs.

EDUCATION HRD

Departments addressing the Education HRD outcome relate to the departments of Primary and Secondary Education, Mass Education and Youth Services and Sports. Though these departments have a large number of schemes, the bulk of them relate to salaries and therefore cannot be untied for any other purpose. The balance schemes are best suited for first order untying, where they are untied within the confines of the departmental purpose, so that there is greater flexibility of operating them within the department. The tables that form part of this section are as follows:

Table no	Department	Description of table
1	Prim and Sec. Edn.	Details of all district sector schemes in the Prim & Sec. Edn. Dept.
2	Prim and Sec. Edn.	Abstract of district sector schemes showing untying possibilities
3	Mass Edn. Dept.	Details of all district sector schemes in the Mass Edn. Dept.
4	Mass Edn. Dept.	Abstract of district sector schemes showing untying possibilities
5	Youth Services & Sports	Details of all district sector schemes in the Youth Services dept.
6	Youth Services & Sports	Abstract of district sector schemes showing untying possibilities
7	Abstract of Education HRD	Abstract of all Education HRD Sector departments

TABLE 1
PRIMARY AND SECONDARY EDUCATION
DEPARTMENT

Details of all district sector schemes

Sl. No.	State/central	imple- menting PRI	Name of the Scheme	Allocation	of which salaries
1	Central	TP	Central Plan Scheme of Operation Black Board	13745.51	13745.51
TOTAL FOR CENTRAL SCHEMES				13745.51	13745.51

STATE SCHEMES

SALARY SCHEMES					
1	State	TP	Primary Schools	17447.82	17447.82
2	State	TP	High Schools	4000.88	4000.88
3	State	ZP	Private High Schools Completing 7 years of Existence GIA	1199.46	1199.46
4	State	TP	Elementary Schools GIA	779.33	779.33
5	State	TP	Appointment of Hindi Teachers in Non-Hindi speaking States	164.01	164.01
SALARY SCHEMES (contd.)					

6	State	TP	Inspection	27.15	27.15
7	State	TP	Appointment of School Mothers	22.39	22.39
8	State	ZP	Inspection	11.90	11.90
9	State	TP	Residential Schools for SC/ST Talented Students	11.80	11.80
10	State	ZP	Residential High Schools	10.50	10.50
10			TOTAL FOR SALARY SCHEMES	23675.24	23675.24

TRAINING SCHEMES

1	State	ZP	Training for Inservice Teachers	9.65	
2	State	ZP	Training for Inservice Teachers	4.00	
2			TOTAL FOR TRAINING SCHEMES	13.65	

WORKS AND MAINTENANCE

1	State	ZP	Secondary School Buildings	492.53	
2	State	TP	Primary School Buildings	448.73	
3	State	TP	Additions and Alterations	157.87	
4	State	ZP	Additions and Alterations	132.05	
5	State	ZP	Equipment to Secondary Schools	83.40	
6	State	ZP	Equipment in Primary Schools	66.09	
7	State	ZP	Printing & Supply of Forms & Registers to Primary & Secondary Schools	25.50	
8	State	ZP	Purchase of Land and Buildings	15.00	
9	State	ZP	Gurusadana	2.00	
9			TOTAL FOR WORKS AND MAINTENANCE	1423.17	

INCENTIVES AND SCHOLARSHIPS

1	State	TP	Supply of Free Text Books & Uniforms Vidya Vikasa Scheme	29.25	
2	State	ZP	Scholarships & Incentives	4.60	
3	State	ZP	Incentives to the Students Securing Highest Marks in VII Standard	1.44	
3			TOTAL FOR INCENTIVES AND SCHOLARSHIPS	35.29	

25			TOTAL FOR STATE SECTOR	25147.35	23675.24
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TABLE 2
PRIMARY AND SECONDARY EDUCATION
DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs.lakhs)
1	District sector plan schemes	25	38892.86
2	Central Schemes	1	13745.51
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	1	13745.51
5	State sector schemes (1-4)	24	25147.35
6	Salary component of state schemes	10	23675.24
7	Balance non-salary component available (5-6)	14	1472.11
8	Amount already untied	0	0.00
9	Balance available for untying or rationalisation (7-8)	14	1472.11
10	SCHEMES AVAILABLE FOR FIRST ORDER UNTYING		
10A	TRAINING SCHEMES	2	13.65
10B	WORKS AND MAINTENANCE SCHEMES	9	1423.17
10C	TOTAL FOR FIRST ORDER UNTYING	11	1436.82
11	SCHEMES AVAILABLE FOR SECOND ORDER UNTYING		
11A	INCENTIVES AND SCHOLARSHIPS	3	35.29
11B	TOTAL FOR SECOND ORDER UNTYING	3	35.29

TABLE 3
MASS EDUCATION DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	implementing PRI	Name of the Scheme	Allocation	of which salaries
1	central	ZP	Adult Education	46.10	
1	State	ZP	Jana Shikshana Nilaya	15.77	
2	State	ZP	Office Expenses	26.75	26.75
			TOTAL FOR STATE SECTOR	42.52	26.75

TABLE 4
MASS EDUCATION DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	3	88.62
2	Central Schemes	1	46.10
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	1	46.10
5	State sector schemes (1-4)	2	42.52
6	Salary component of state schemes		26.75
7	Balance non-salary component available (5-6)		15.77
8	Amount already untied	0	0.00
9	Balance available for SECOND ORDER untying (7-8)		15.77

TABLE 5
YOUTH SERVICES AND SPORTS DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	imple menti ng PRI	Name of the Scheme	Allocation	of which salaries
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			WORKS AND MAINTENANCE		
1	State	ZP	Construction of Taluka/Mandal Level Stadia	125.45	
2	State	ZP	Grants for Construction of Indoor Stadium and Open Air Theatre	30.70	
3	State	ZP	Construction of Rural Gymnasia and Scholarships to Gymnasts	22.15	
4	State	ZP	Development of Kusthi Akhada	17.10	
5	State	ZP	Maintenance of Stadia	5.55	
5	SUBTOTAL FOR WORKS AND MAINTENANCE			200.95	

			INCENTIVES AND SCHOLARSHIPS		
1	State	ZP	Organisation of Sports Meet and Rallies and T.A., D.A. to their Participants	78.00	
2	State	ZP	Flood Lights and Other Improved Equipments to Play Grounds	18.95	
3	State	ZP	Sports Training in Rural Areas	16.80	
4	State	ZP	Adventurous Sports	15.50	
5	State	ZP	Sports Promotion in Rural Areas	4.50	
6	State	ZP	Rural Sports Centers	3.71	
7	State	ZP	Supply of Sports Materials to Schools & Colleges	1.60	
8	State	ZP	District Level Sports Talents & Competition	1.50	
9	State	ZP	Diet and Kit Allowance for State Level Participants	0.50	
10	State	ZP	Youth Clubs	57.73	
10	SUB-TOTAL FOR INCENTIVES & SCHOLARSHIPS			198.79	

			TOTAL STATE SECTOR SCHEMES	399.74	
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TABLE 6
YOUTH SERVICES AND SPORTS DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	15	399.74
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	15	399.74
6	Salary component of state schemes	0	0.00
7	Balance non-salary component available (5-6)	15	399.74
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	15	399.74
10	SCHEMES AVAILABLE FOR FIRST ORDER UNTYING		
10A	WORKS AND MAINTENANCE SCHEMES	5	200.95
10B	TOTAL FOR FIRST ORDER UNTYING	5	200.95
11	SCHEMES AVAILABLE FOR SECOND ORDER UNTYING		
11A	INCENTIVES AND SCHOLARSHIPS	10	198.79
11B	TOTAL FOR SECOND ORDER UNTYING	10	198.79

TABLE 7
ABSTRACT FOR EDUCATION HRD

	Item	Prim & Sec. Edn.		Mass Education		Youth Services		Total	
		No of sche mes	amount	No of sche mes	amou nt	No of sche mes	amou nt	No of sche mes	amount
1	District sector plan schemes	25	38892.86	3	88.62	15	399.74	43	39381.22
2	Central Schemes	1	13745.51	1	46.10	0	0.00	2	13791.61
3	Centrally sponsored schemes	0	0.00	0	0.00	0	0.00	0	0
4	Total of central schemes (2+3)	1	13745.51	1	46.10	0	0.00	2	13791.61
5	State sector schemes (1-4)	24	25147.35	2	42.52	15	399.74	41	25589.61
6	Salary component of state schemes	10	23675.24	1	26.75	0	0.00	11	23701.99
7	Balance non-salary component available (5-6)	14	1472.11	1	15.77	15	399.74	30	1887.62
8	Amount already untied	0	0.00	0	0.00	0	0.00	0	0
9	Balance available for untying (7-8)	14	1472.11	1	15.77	15	399.74	30	1887.62
10	SCHEMES AVAILABLE FOR FIRST ORDER UNTYING	11	1436.82			5	200.95	16	1637.77
11	SCHEMES AVAILABLE FOR SECOND ORDER UNTYING	3	35.29	1	15.77	10	198.79	14	249.85

HEALTH HRD

Departments addressing the Health HRD outcome relate to the departments of Health and Family Welfare and Indian Systems of Medicine Department. In these departments, the schemes mainly pertain to salaries, works and maintenance and other disease specific categories. The schemes relating to salaries cannot be untied for any other purpose. The balance schemes are best suited for first order untying, where they are untied within the confines of the departmental purpose, so that they is greater flexibility of operating them within the department. The tables that form part of this section are as follows:

Table no	Department	Description of table
8	Health and Family Welfare	Details of all district sector schemes in the HFW Dept.
9	Health and Family Welfare	Abstract of district sector schemes showing untying possibilities
10	Indian Systems of Medicine	Details of all district sector schemes in the ISM Dept.
11	Indian Systems of Medicine.	Abstract of district sector schemes showing untying possibilities
12	Abstract of Health HRD	Abstract of all Health HRD departments

TABLE 8
HEALTH AND FAMILY WELFARE DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	impleme nting PRI	Name of the Scheme	Allocation	of which salaries
1	central	ZP	Rural Family Welfare Centres at PHCs	3338.38	3338.38
2	central	ZP	Rural Sub-Centers (Opened under Family Welfare)	2747.76	2747.76
3	central	ZP	District Family Welfare Bureau	997.75	997.75
4	central	ZP	I.U.D. Vasectomy & Tubectomy	961.91	
5	central	ZP	District Level Post-Partum Programme	824.00	824.00
6	central	ZP	Rural Family Welfare Centres	269.01	269.01
7	central	ZP	Universal Immunisation Programme Child Survival and Safe Motherhood	164.92	
8	central	ZP	District Family Welfare Bureau	137.20	137.20
9	central	ZP	Village Health Guides	101.79	
10	central	ZP	Publicity and Propaganda	86.46	
11	central	ZP	Urban Family Welfare Run by State Govt.	66.05	66.05
12	central	ZP	Training of Dais	7.00	
TOTAL FOR CENTRAL SCHEMES				9702.23	8380.15

SALARIES					
1	State	ZP	Primary Health Centres (GOI Pattern)(MNP)	1284.35	1284.35
2	State	TP	Establishment of New Sub-Centres	149.63	149.63
3	State	TP	Strengthening of PHUs- Maternity Homes (Rev)	127.69	127.69
4	State	ZP	Leprosy Control Scheme	90.35	90.35
5	State	ZP	State Health Transport Organisation	75.10	75.10
6	State	ZP	National Programme for Prevention & Control of Blindness	63.53	63.53
7	State	ZP	Filaria Control Scheme	10.81	10.81
8	State	ZP	National T.B.Control Programme	9.41	9.41
9	State	TP	ICDS	2.25	2.25
10	State	ZP	Upgradation of Primary Health Centres-Community Health Centres	385.23	385.23
SUBTOTAL FOR SALARY SCHEMES				2198.35	2198.35

			WORKS		
1	State	ZP	Primary Health Centre Buildings	416.21	
2	State	ZP	Upgradation of Primary Health Centre (Community Health Centres)	178.24	
3	State	ZP	Buildings – Health Sub-Centres (Additions and Alterations)	149.51	
4	State	ZP	Buildings – Health Sub-Centres	146.50	
5	State	ZP	Buildings – Maternity Home	103.50	
6	State	ZP	Water Supply to Rural Health Institutions	96.80	
7	State	ZP	Buildings – Additions and Alterations of PHCs, PHU's and Maternity Homes	41.20	
8	State	ZP	District Health Office Buildings	31.50	
9	State	ZP	Establishment of Blood Bank	8.50	
10	State	ZP	District T.B. Centre Buildings	5.50	
11	State	ZP	Mobile Health Units	2.10	
11	SUB-TOTAL FOR WORKS			1179.56	

MAINTENANCE SCHEMES					
1	State	TP	Supply of Equipments	88.92	
2	State	TP	Supply of Linen	74.73	
3	State	ZP	Mortuary	44.26	
4	State	ZP	Repairs to Hospital Equipments	41.90	
5	State	ZP	Trauma Care Centres	9.85	
6	State	ZP	X-Ray Facilities to Taluk Hospitals	4.00	
7	State	ZP	Provision for Ambulances	22.50	
7	SUB-TOTAL FOR MAINTENANCE SCHEMES			286.16	

DISEASE SPECIFIC SCHEMES					
1	State	ZP	Supply of Drugs under Family Welfare & Pulse Polio Immunisation	64.27	
2	State	ZP	Brain Fever	48.00	
3	State	TP	School Health Services	34.00	
4	State	ZP	Cholera Control Programme	16.30	
5	State	ZP	Supply of Drugs to Mental Clinics	11.25	
6	State	ZP	Mental Health Programme	10.20	
7	State	ZP	AIDS Control Programme & Detection	8.00	
8	State	ZP	Guinea Worm Eradication Programme	5.40	

DISEASE SPECIFIC SCHEMES contd.					
9	State	ZP	Cancer Control	2.00	
10	State	ZP	Malaria Control Scheme	1.00	
10	SUB-TOTAL FOR DISEASE SPECIFIC SCHEMES			200.42	
	TOTAL FOR STATE SECTOR SCHEMES			3864.49	2198.35
	GRAND TOTAL			13566.72	10578.51

TABLE 9
HEALTH AND FAMILY WELFARE DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	50	13566.72
2	Central Schemes	12	9702.23
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	12	9702.23
5	State sector schemes (1-4)	38	3864.49
6	Salary component of state schemes	10	2198.35
7	Balance non-salary component available (5-6)	28	1666.14
8	Amount already untied, rationalised or converged	0	0.00
9	Balance available for untying, rationalisation or convergence (7-8)	28	1666.14
10	FIRST ORDER UNTYING (maintenance and promotion schemes)		
10A	works schemes	11	1179.56
10B	maintenance schemes	7	286.16
10C	disease specific schemes	10	200.42
10D	Total	28	1666.14
11	SECOND ORDER UNTYING (other schemes)	0	0.00

TABLE 10
INDIAN SYSTEMS OF MEDICINE DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	imple menti ng PRI	Name of the Scheme	Allocation	of which salaries
1	State	ZP	Opening & Maintenance of Ayurvedic Dispensaries	174.05	174.05
2	State	ZP	Opening of Taluka Level ISM Hospitals of Bed Strength 6-10 at Taluk Centres	66.32	66.32
3	State	ZP	Buildings	37.02	
4	State	ZP	Opening of Homeopathy Dispensary in Rural areas	17.30	17.30
5	State	TP	Opening & Maintenance of Unani Dispensaries	13.80	13.80
6	State	ZP	Upgrading of Govt. Ayurvedic Dispensaries	13.80	13.80
7	State	ZP	Staff to Ayurveda, Homeopathy & Unani Dis.	5.74	5.74
8	State	ZP	Upgradation of Govt.Unani Dispensaries	3.53	3.53
9	State	ZP	Opening of Nature Cure Hospitals	0.50	0.50
			TOTAL FOR STATE SECTOR	332.06	295.04

TABLE 11
INDIAN SYSTEMS OF MEDICINE DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	9	332.06
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	9	332.06
6	Salary component of state schemes	8	295.04
7	Balance non-salary component available (5-6)		37.02
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	1	37.02

TABLE 12
ABSTRACT OF HEALTH HRD SCHEMES

	Item	Health & family welfare		Indian systems of medicine		Total	
		No of schemes	amount	No of schemes	amount	No of schemes	amount
1	District sector plan schemes	50	13566.72	9	332.06	59	13899.0
2	Central Schemes	12	9702.23	0	0.00	12	9702.2
3	Centrally sponsored schemes	0	0.00	0	0.00	0	0.0
4	Total of central schemes (2+3)	12	9702.23	0	0.00	12	9702.2
5	State sector schemes (1-4)	38	3864.49	9	332.06	47	4196.6
6	Salary component of state schemes	10	2198.35	8	295.04	18	2493.4
7	Balance non-salary component available (5-6)	28	1666.14	1	37.02	29	1703.2
8	Amount already untied	0	0.00	0	0.00	0	0.0
9	Balance available for untying (7-8)	28	1666.14	1	37.02	29	1703.2
10	SCHEMES AVAILABLE FOR FIRST ORDER UNTYING	28	1666.14	1	37.02	29	1703.2

THE PRIMARY SECTOR:

The departments that fall within the broad outcome of the primary sector are the Agriculture, Horticulture, Animal Husbandry, Forestry, Fisheries and Sericulture departments. Watershed department has not been taken under this group of schemes as it is felt that the expenditure within Watershed should be rationalized but the outcome of rationalization should be restricted to greater flexibility of incurring expenditure within the watershed sector itself. This is the same rationale that has not brought in the sectors of power and irrigation into the scope of an exercise of determining what can be untied within the primary sector. With respect to the other departments comprising the Primary Sector, we find that there is scope for both first order and second order untying.

The tables that form part of the analysis in respect of district sector schemes of the six departments as listed above are as follows:

Table no	Department	Description of table
13	Agriculture	Details of all district sector schemes in the Agriculture dept
14	Agriculture	Abstract of district sector schemes showing untying possibilities
15	Animal Husbandry	Details of all district sector schemes in the AH dept
16	Animal Husbandry	Abstract of district sector schemes showing untying possibilities
17	Fisheries	Details of all district sector schemes in the Fisheries dept
18	Fisheries	Abstract of district sector schemes showing untying possibilities
19	Forest	Details of all district sector schemes in the Forest dept
20	Forest	Abstract of district sector schemes showing untying possibilities
21	Horticulture	Details of all district sector schemes in the Horticulture dept
22	Horticulture	Abstract of district sector schemes showing untying possibilities
23	Sericulture	Details of all district sector schemes in the Sericulture dept
24	Sericulture	Abstract of district sector schemes showing untying possibilities
25	Primary Sector	Abstract of all Primary Sector departments

TABLE 13
AGRICULTURE DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	imple menti ng PRI	Name of the Scheme	Allocation Rs. Lakhs
1	central	ZP	Central Sector Minikit Demonstration Programme on Coarse Cereals	17.19
5	CSS	ZP	Oil Seeds Production Programme	838.00
4	CSS	ZP	National Pulses Development	205.33
2	CSS	ZP	Accelerated Maize Productions	79.85
3	CSS	ZP	CSS Intensive Cotton Development	0.10
TOTAL FOR CENTRAL AND CSS SCHEMES				1140.47
10	State	TP	Plant Protection	119.96
7	State	ZP	Agricultural Office Building	116.20
11	State	ZP	Seed Farms	19.67
12	State	ZP	Supply of Crop Estimation Survey Equipments under Crop Insurance	4.26
TOTAL FOR MAINTENANCE AND IEC (FIRST ORDER UNTYING)				260.09
9	State	TP	Green Manure and Bio-Fertilizers	36.35
6	State	TP	Agricultural Fairs and Exhibitions	17.14
14	State	ZP	Supply of Power Operated Plant protection equipment	14.50
13	State	ZP	Supply of plant protection Chemicals for Tur Crop	12.00
8	State	ZP	Development of Sugarcane	11.59
TOTAL FOR SECOND ORDER UNTYING				91.58
TOTAL OF STATE SECTOR SCHEMES				351.67

TABLE 14
AGRICULTURE DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	14	1492.14
2	Central Schemes	1	17.19
3	Centrally sponsored schemes	4	1123.28
4	Total of central schemes (2+3)	5	1140.47
5	State sector schemes (1-4)	9	351.67
6	Salary component of state schemes	0	0.00
7	Balance non-salary component available (5-6)	9	351.67
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	9	351.67
10	FIRST ORDER UNTYING (Maintenance and promotion schemes)	4	260.09
11	SECOND ORDER UNTYING (other schemes)	5	91.58

TABLE 15
ANIMAL HUSBANDRY AND VETERINARY SERVICES
DEPARTMENT

Details of all district sector schemes

Sl.No.	state/ central	imple menti ng PRI	Name of the Scheme	Allocation	of which salaries
1	State	TP	Opening of Rural Veterinary Dispensaries and their Upgradation as Taluk Level Dispensaries	1722.42	1722.42
2	State	ZP	Hospitals and Dispensaries	250.01	250.01
5	State	TP	Mobile Veterinary Dispensaries	100.51	100.51
7	State	TP	Special Live Stock Breed Development Programme	44.94	44.94
9	State	ZP	Strengthening of Extension Units	32.58	32.58
10	State	ZP	Establishment of Polyclinics at Veterinary Hospitals	30.00	30.00
TOTAL FOR SALARY SCHEMES				2180.46	2180.46

3	State	ZP	Supply of Liquid Nitrogen and Equipments for Artificial Insemination	170.00	
4	State	ZP	Buildings	161.50	
6	State	TP	Organisation of Sterile/Infertile Live Stock Camps	69.64	
11	State	ZP	Cattle Breeding Farm	10.97	
TOTAL FOR MAINTENANCE AND IEC (FIRST ORDER UNTYING)				412.11	

8	State	ZP	Rearing of 'Giriraja' Bird	33.20	
12	State	TP	Supply of Improved Ram and Pigs	5.30	
13	State	TP	Supply of Fodder, Feeds and Development Grazing Lands	3.23	
14	State	ZP	Establishment of Rabbit Farm	2.75	
15	State	ZP	Development & Protection of Mudhol Dogs	1.60	
TOTAL FOR SECOND ORDER UNTYING				46.08	

TOTAL OF STATE SECTOR SCHEMES				2638.65	2180.46
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TABLE 16
ANIMAL HUSBANDRY AND VETERINARY SERVICES
DEPARTMENT

Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	15	2638.65
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	15	2638.65
6	Salary component of state schemes	6	2180.46
7	Balance non-salary component available (5-6)	9	458.19
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	9	458.19
10	FIRST ORDER UNTYING (Maintenance and promotion schemes)	4	412.11
11	SECOND ORDER UNTYING (other schemes)	5	46.08

TABLE 17
FISHERIES DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	impleme nting PRI	Name of the Scheme	Allocation
1	CSS	ZP	Assistance to Central Fish Farmers Development Agency	208.38
2	State	ZP	Fish Seed Production, Rearing and Distribution	114.18
4	State	ZP	Buildings	12.25
5	State	ZP	Exhibitions and Training	8.73
6	State	ZP	Setting up of Acquaria	8.15
3	State	ZP	Inland Fisheries-Construction of Fish Farms	14.65
9	State	ZP	Maintenance of Landing and Berthing Facilities	6.00
11	State	ZP	Expansion of Fish Seed Farms	4.00
19	State	ZP	Maintenance of Marine Aquarium	1.00
16	State	ZP	Loans to FCS for Traditional Fishing (Marine)	1.60
17	State	ZP	Loans to FCS for Purchase of Fishermen's Requisites	1.42
TOTAL FOR MAINTENANCE, IEC amd LOANS (FIRST ORDER UNTYING)				171.98
10	State	ZP	Purchase of Inputs for Marketing Fish	5.00
7	State	ZP	Assistance for Supply of Grass Carp Seed	7.37
15	State	ZP	Assistance to take Fisheries Development in Wells and Ponds	1.80
20	State	ZP	Assistance to Brakish Water Fish Farmers Development Agency to Prawn Hatcheries	0.70
18	State	ZP	Fisheries Cooperative Societies Investment	1.10
8	State	ZP	Subsidy for Construction of Fish Ponds	7.10
12	State	ZP	Subsidy for Fisheries Requisites (Inland)	4.00
13	State	ZP	Subsidy to Sweet Water Prawns	3.40
14	State	ZP	Subsidy for Reconstruction of Fish Markets	2.50
21	State	ZP	Managerial Subsidy to Fisheries Cooperative Societies	0.32
TOTAL FOR SECOND ORDER UNTYING				33.29
TOTAL OF STATE SECTOR SCHEMES				205.27

TABLE 18
FISHERIES DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	21	413.65
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	1	208.38
4	Total of central schemes (2+3)	1	208.38
5	State sector schemes (1-4)	20	205.27
6	Salary component of state schemes		0.00
7	Balance non-salary component available (5-6)	20	205.27
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	20	205.27
11	FIRST ORDER UNTYING (Maintenance and promotion schemes)	10	171.98
12	SECOND ORDER UNTYING (other schemes)	10	33.29

TABLE 19
FOREST DEPARTMENT
Details of all district sector schemes

Sl. No.	state/central	impleme nting PRI	Name of the Scheme	Allocati on	of which salaries
1	central	ZP	Integrated Afforestation and Eco Development	176.50	
2	central	ZP	River Valley Projects	105.33	
			Total for Central Schemes	281.83	
3	State	ZP	Forestry & Environment Project for Eastern Plains-OECF	1486.63	1486.63
6	State	ZP	Buildings	18.50	
8	State	ZP	Minor Forest Produce	11.70	
TOTAL FOR MAINTENANCE and IEC (FIRST ORDER UNTYING)				30.20	
4	State	ZP	<i>Social Forestry-Non OECF</i>	243.02	
5	State	ZP	<i>Soil Conservation (Afforestation)</i>	93.65	
7	State	ZP	<i>School Nurseries</i>	14.89	
9	State	ZP	<i>Decentralised Nurseries</i>	10.43	
TOTAL FOR SECOND ORDER UNTYING				361.99	
TOTAL OF STATE SECTOR SCHEMES				1878.82	

TABLE 20
FOREST DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	9	2160.65
2	Central Schemes	2	281.83
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	2	281.83
5	State sector schemes (1-4)	7	1878.82
6	Salary component of state schemes	1	1486.63
7	Balance non-salary component available (5-6)	6	392.19
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	6	392.19
10	FIRST ORDER UNTYING (Maintenance and promotion schemes)	2	30.20
11	SECOND ORDER UNTYING (other schemes)	4	361.99

TABLE 21
HORTICULTURE DEPARTMENT
 Details of all district sector schemes

Sl.No.	state/ central	implem enting PRI	Name of the Scheme	Allocati on
8	State	TP	Training to Farmers	18.79
9	State	ZP	Publicity and Literature	16.75
4	State	ZP	Propagation of Horticultural Crops	57.99
5	State	ZP	Development of Infrastructure Improvement in Farms and Nurseries	49.11
6	State	ZP	Maintenance of Horticultural Farms	37.22
7	State	ZP	Horticulture Buildings	34.41
10	State	TP	Development of Show Plants in front of Govt.Offices/Guest Houses	16.67
11	State	ZP	Plant Protection Laboratories	10.60
TOTAL FOR MAINTENANCE and IEC (FIRST ORDER UNTYING)				241.54
1	State	ZP	Scheme for Seed Coconut Procurement and Nursery Maintenance	75.37
2	State	TP	Plant Protection	66.49
3	State	TP	Extn.of Area under Hort.Crops	59.46
12	State	TP	Social Horticulture	7.90
13	State	TP	Development of Mandal Nurseries	3.00
TOTAL FOR SECOND ORDER UNTYING				212.22
TOTAL OF STATE SECTOR SCHEMES				453.76

TABLE 22
HORTICULTURE DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	13	453.76
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	13	453.76
6	Salary component of state schemes	0	0.00
7	Balance non-salary component available (5-6)	13	453.76
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	13	453.76
10	FIRST ORDER UNTYING (Maintenance and promotion schemes)	8	241.54
11	SECOND ORDER UNTYING (other schemes)	5	212.22

TABLE 23
SERICULTURE DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	imple mentin g PRI	Name of the Scheme	Allocation
1	State	ZP	Disease Control Programme	167.09
2	State	ZP	Advisory Services, Demonstrations, Publicity and Audio Visual	52.01
3	State	ZP	Training	36.95
4	State	ZP	Farms	33.56
TOTAL FOR MAINTENANCE and IEC (FIRST ORDER UNTYING)				289.61
5	State	TP	Subsidy for Construction of Rearing/Reeling Sheds	33.52
6	State	TP	Incentive for Bivoltine Cocoon	23.62
7	State	ZP	Women's Demonstration Farm	14.29
8	State	ZP	Shoot Rearing System to Rearing Houses	8.50
9	State	ZP	Assistance to Sericulturists	0.47
TOTAL FOR SECOND ORDER UNTYING				80.4
TOTAL OF STATE SECTOR SCHEMES				370.01

TABLE 24
SERICULTURE DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	9	370.01
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	9	370.01
6	Salary component of state schemes	0	0.00
7	Balance non-salary component available (5-6)	9	370.01
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	9	370.01
10	FIRST ORDER UNTYING (Maintenance and promotion schemes)	4	289.61
11	SECOND ORDER UNTYING (other schemes)	5	80.40

TABLE 25
ABSTRACT OF PRIMARY SECTOR SCHEMES

(Rs in lakhs)

	PRIMARY SECTOR Details	Agriculture		Animal husbandry		Fisheries		Forest		Horticulture		Sericulture		Total	
		No of schemes	Amount	No of schemes	Amount	No of schemes	Amount	No of schemes	Amount	No of schemes	Amount	No of schemes	Amount	No of schemes	Amount
1	District sector plan schemes	14	1492.14	15	2638.65	21	413.65	9	2160.65	13	453.76	9	370.01	81	7528.86
2	Central schemes	1	17.19	0	0.00	0	0.00	2	281.83	0	0.00	0	0.00	3	209.02
3	Centrally sponsored schemes	4	1123.28	0	0.00	1	208.38	0	0.00	0	0.00	0	0.00	5	1331.66
4	Total of central schemes (2+3)	5	1140.47	0	0.00	1	208.38	2	281.83	0	0.00	0	0.00	8	1630.68
5	State sector schemes (1-4)	9	351.67	15	2638.65	20	205.27	7	1878.82	13	453.76	9	370.01	73	5898.18
6	Salary component of state schemes	0	0.00	6	2180.46	0	0.00	1	1486.63	0	0.00	0	0.00	7	3667.09
7	Balance non salary component available (5-6)	9	351.67	9	458.19	20	205.27	6	392.19	13	453.76	9	370.01	66	2231.09
8	Amount already utilised	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
9	Balance available for untying (7-8)	9	351.67	9	458.19	20	205.27	6	392.19	13	453.76	9	370.01	66	2231.09
10	What cannot be untied (maintenance and IEC)	4	260.09	4	412.11	10	171.98	2	30.20	8	241.54	4	289.61	32	1455.53
11	What can be untied (other schemes)	5	91.58	5	46.08	10	33.29	4	361.99	5	212.22	5	80.40	34	675.49

SECONDARY SECTOR:

Departments comprising the Secondary Sector outcome relate to the departments of Textiles, Cooperation and Industries. These departments have a large number of schemes, each with tiny outlays. Therefore, the schemes of this department are best suited for second order untying so that they is greater flexibility of operating them inter-departmentally, to address the Secondary Sector. The tables that form part of this section are as follows:

Table no	Department	Description of table
27	Textiles	Details of all district sector schemes in the Textiles dept
28	Textiles	Abstract of district sector schemes showing untying possibilities
29	Cooperation	Details of all district sector schemes in the Cooperation dept
30	Cooperation	Abstract of district sector schemes showing untying possibilities
31	Industries	Details of all district sector schemes in the Industries dept
32	Industries	Abstract of district sector schemes showing untying possibilities
33	Secondary Sector	Abstract of all Secondary Sector departments

TABLE 26
TEXTILES DEPARTMENT
Details of all district sector schemes

Sl. No.	state/central	imple menti ng PRI	Name of the Scheme	Alloca tion	of which salaries
1	CSS	ZP	Managerial Grants to Primary Handloom Weavers Co-operative Societies	0.20	
2	State	ZP	Salary Component to Handloom and Textiles	112.01	112.01
3	State	ZP	Housing Colonies	42.15	
4	State	ZP	Modernisation of Handloom	20.80	
5	State	ZP	Government Share in Handloom Co-operative Societies	19.43	
6	State	ZP	RAP/RIP	17.70	
7	State	ZP	Handloom Working Capital	16.80	
8	State	ZP	Housing Colonies	16.45	
9	State	ZP	Training of Handloom Weavers	15.74	
10	State	ZP	Collective Weaving Centres	10.50	
11	State	ZP	Collective Weaving Centres	3.85	
12	State	ZP	Loans to Handloom Industries for Improved	2.82	

			Appliances		
13	State	ZP	Improved Appliances	2.63	
14	State	ZP	Share Capital of Handloom	2.00	
15	State	ZP	Seed Margin Money for Small Textile Units in Rural Areas	1.10	
16	State	ZP	Interest Subsidy to Handloom Weavers	0.30	
17	State	ZP	Loans towards Share Capital to New Members	0.30	
TOTAL STATE SECTOR SCHEMES				284.58	112.01

TABLE 27
TEXTILES DEPARTMENT
Abstract of district sector schemes showing untying possibilities

TEXTILES DEPARTMENT			
	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	17	284.58
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	1	0.20
4	Total of central schemes (2+3)	1	0.20
5	State sector schemes (1-4)	16	284.38
6	Salary component of state schemes	1	112.01
7	Balance non-salary component available (5-6)	15	172.37
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)		172.37

TABLE 28
COOPERATION DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	imple menti ng PRI	Name of the Scheme	Allocation
1	State	TP	Loans to Women's Co-operatives (Working Capital)	8.15
2	State	ZP	Loans to Establish Cooperative Flour Mills	7.00
3	State	ZP	Loans for Construction of Business Premises	18.00
4	State	ZP	FA for Opening Small Branches(Loan)	7.00
5	State	ZP	Interest Free Loans to PACs to Conduct Non-Credit Business	44.57
6	State	TP	SCP-Subsidy on Loans Sanctioned by PCARDB for Assets Creation	60.96
7	State	TP	SCP-Interest Free Loans for Additional Share Capital Contribution by SC Members	2.62
7	TOTAL FOR FIRST ORDER UNTYING (LOANS)			148.30
1	State	TP	Subsidy to Women's Cooperatives	2.23
2	State	ZP	Strengthening of Share Capital of Other Co-operatives	18.32
3	State	ZP	Share Capital to Women's Co-operatives for Construction of Common Workshed	0.75
4	State	ZP	Share Capital to Irrigation Co-operatives	3.60
5	State	ZP	Share Capital to Consumer Cooperatives	3.77
6	State	ZP	Share Capital as Working Capital to Co-operative Hospitals	1.00
7	State	TP	Investment in Women's Co-operatives	18.00
8	State	ZP	FA to Multipurpose Co-operatives	0.85
9	State	TP	FA for Construction of Business Premises Women's Co-operatives	3.30
10	State	ZP	Infrastructure facilities to Milk Producing Co-op. Societies for women	12.11
11	State	ZP	Incentive to Milk Producers	1.50
TOTAL FOR SECOND ORDER UNTYING				65.43
GRAND TOTAL				213.73

TABLE 29
COOPERATION DEPARTMENT
Abstract of district sector schemes showing untying possibilities

COOPERATION DEPARTMENT			
	Details	no. of schemes	amount (Rs. Lakhs)
1	District sector plan schemes	18	213.73
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	18	213.73
6	Salary component of state schemes		0.00
7	Balance non-salary component available (5-6)	18	213.73
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	18	213.73
10	FIRST ORDER UNTYING (LOAN SCHEMES)	7	148.30
11	SECOND ORDER UNTYING (OTHER SCHEMES)	11	65.43

TABLE 30
INDUSTRIES DEPARTMENT
Details of all district sector schemes

Sl.No.	state/ central	imple menti ng PRI	Name of the Scheme	Allocation	of which salarie s
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1	State	ZP	District Industries Centre	306.59	306.59
4	State	ZP	Seminars, Field Days and Exhibitions	15.77	
12	State	ZP	Loans to Coir Co-operatives	1.00	
FIRST ORDER UNTYING (IEC AND LOAN SCHEMES)				16.77	

1	State	ZP	Seed/Margin Money for Tiny and SSI Units in Rural Areas	50.88	
2	State	ZP	Apiculture	30.22	
3	State	ZP	Interest Subsidy for Artisans including Artisans of Tiny Industries	9.80	
4	State	ZP	Supply of Improved Appliances-Professional Artisans-Free of Cost	8.80	
5	State	ZP	Share Capital to Industrial Co-operatives	5.95	
6	State	ZP	Strengthening of Training Centres	5.60	
7	State	ZP	Industrial Cooperatives	5.46	
8	State	ZP	Industrial Co-operative Grants	2.42	
9	State	ZP	Share Capital to Coir Co-operatives	1.30	
10	State	ZP	Assistance to Coir Co-operatives	0.60	
11	State	ZP	Share Capital Loan to Become New Members in Industrial Co-operatives-ZP	0.30	
SECOND ORDER UNTYING				121.33	

TOTAL STATE SECTOR SCHEMES				444.69	306.59
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TABLE 31
INDUSTRIES DEPARTMENT
Abstract of district sector schemes showing untying possibilities

INDUSTRIES DEPARTMENT			
	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	14	444.69
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	14	444.69
6	Salary component of state schemes	1	306.59
7	Balance non-salary component available (5-6)	13	138.10
8	Amount already untied	0	0.00
9	Balance available for untying (7-8)	13	138.10
10	FIRST ORDER UNTYING (IEC & LOAN SCHEMES)	2	16.77
11	SECOND ORDER UNTYING (OTHER SCHEMES)	11	121.33

TABLE 32
ABSTRACT OF SECONDARY SECTOR SCHEMES

	Item	Textiles Dept.		Cooperation Dept.		Industries Dept.		Total	
		No of schemes	amount	No of schemes	amount	No of schemes	amount	No of schemes	amount
1	District sector plan schemes	17	284.58	18	213.73	14	444.69	49	943.00
2	Central Schemes	0	0.00	0	0.00	0	0.00	0	0.00
3	Centrally sponsored schemes	1	0.20	0	0.00	0	0.00	1	0.20
4	Total of central schemes (2+3)	1	0.20	0	0.00	0	0.00	1	0.20
5	State sector schemes (1-4)	16	284.38	18	213.73	14	444.69	48	942.80
6	Salary component of state schemes	1	112.01		0.00	1	306.59	2	418.60
7	Balance non-salary component available (5-6)	15	172.37	18	213.73	13	138.10	46	524.20
8	Amount already untied	0	0.00	0	0.00	0	0.00	0	0.00
9	Balance available for untying (7-8)	15	172.37	18	213.73	13	138.10	46	524.20
10	SCHEMES AVAILABLE FOR FIRST ORDER UNTYING	0	0.00	7	148.30	2	16.77	9	165.07
11	SCHEMES AVAILABLE FOR SECOND ORDER UNTYING	15	172.37	11	65.43	11	121.33	37	359.13

TABLE 33 BACKWARD CLASSES AND MINORITIES DEPARTMENT

Details of all district sector schemes

The Backward Classes and Minorities department runs several schemes that aim at achieving a number of outcomes. Though unlike the SC& ST welfare department there is no concept of pooling funds, the department runs a large number of schemes that could be further rationalized around outcomes. Consequently, the Working Group concentrated on First order untying. However, some schemes that could be capable of progressive Second order untying, such as scholarship and other schemes were also identified.

Sl.No.	State/ central	imple mentin g PRI	Name of the Scheme	Allocation	of which salaries
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SALARIES					
1	State	ZP	Ashram Schools	32.06	32.06
2	State	ZP	Ashrama Schools for Nomadic & Semi nomadic Tribes	1.20	1.20
SUBTOTAL FOR FULLY SALARY SCHEMES				33.26	33.26

PARTLY SALARIES (HOSTEL SCHEMES)					
1	State	ZP	Prematric Hostels	935.84	280,752
2	State	TP	Maintenance of Prematric Hostels for Boys and Girls	490.03	147,009
3	State	ZP	Maintenance of Post-Matric Hostels for Boys and Girls.	467.05	140,115
4	State	TP	Enhancement of Strength & Maintenance of Enhanced Strength in Prematric Hostels	161.46	48,438
5	State	TP	New Prematric Hostels for Boys & Girls	113.51	34,053
6	State	TP	Maintenance of Tailoring Training Centres & Starting of New Tailoring Training Centres	63.33	18,999
7	State	ZP	Enhancement of Strength in Post-Matric Hostels	30.64	9,192
SUBTOTAL FOR PARTLY SALARY SCHEMES				2261.86	678,558

			WORKS & MAINTENANCE		
1	State	ZP	Construction and Special Repairs of Backward Classes Hostel Buildings	419.41	
2	State	ZP	Construction of Office Building	4.00	
3	State	TP	Improvement of Prematric & Postmatric Hostels	77.12	
SUBTOTAL FOR CONSTRUCTION AND MAINTENANCE SCHEMES				500.53	

			GRANTS-IN-AID		
1	State	ZP	Grant-in-aid to Private Hostels	98.39	
2	State	TP	Grant-in-aid to Orphanages	2.70	
SUBTOTAL FOR GRANT IN AID SCHEMES				101.09	

			SCHOLARSHIPS AND SUBSIDIES		
1	State	TP	Award of Prematric Scholarships	60.27	
2	State	TP	Award of Post Matric Scholarships	41.85	
3	State	ZP	Stipend to ITI/Diploma Students	0.20	
4	State	TP	Payment of Extra Boarding & Lodging Charges	89.68	
5	State	ZP	Stipend to Advocates	27.82	
6	State	TP	Incentive to Hostellers	7.21	
7	State	ZP	Post Matric Girls Hostel	1.00	
SUBTOTAL FOR SCHOLARSHIP SCHEMES				228.03	

			OTHERS		
1	State	ZP	Devraj Urs Birth Day	6.89	

			TOTAL	3131.66	711.82
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TABLE 34
BACKWARD CLASSES AND MINORITIES
DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	Amount (Rs. Lakhs)
1	District sector plan schemes	22	3131.66
2	Central Schemes	0	0.00
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	0	0.00
5	State sector schemes (1-4)	22	3131.66
6	Salary component of state schemes	2	837.64
7	Balance non-salary component available (5-6)	20	2294.02
8	Amount already untied, rationalised or converged	0	0.00
9	Balance available for untying (7-8)	20	2294.02
10	FIRST ORDER UNTYING		
10A	BALANCE FROM HOSTELS, EXCLUDING SALARIES	7	1583.30
10B	CONSTRUCTION AND MAINTENANCE	3	500.53
10C	TOTAL FOR FIRST ORDER UNTYING	10	2083.83
11	SECOND ORDER UNTYING		
11A	GRANT IN AID	2	101.09
11B	SCHOLARSHIPS	7	228.03
11C	OTHERS	1	6.89
11D	TOTAL FOR SECOND ORDER UNTYING	10	336.01

TABLE 35
WOMEN AND CHILD WELFARE DEPARTMENT
Details of all district sector schemes

The women and child welfare department is somewhat similar to the BCM and SC & ST Welfare Departments in the sense that its programmes are directed towards several broad outcomes. The Working Group has therefore only indicated broad areas of convergence and outcomes around which first order untying could be attempted. However, the possibility of second order untying still exists. An intriguing possibility of second order untying, bringing schemes from the Health, Rural Development and Women and Child Welfare Department could emerge, if the areas of nutrition, preventive health village water supply and sanitation were considered as essentially one. This would constitute a more holistic approach towards preventive health care. Schemes from these departments could converge through a process of second order untying, into a preventive health untied fund, which could then be operated at the Grama Panchayat Level.

Sl.No.	state/ central	imple menting PRI	Name of the Scheme	Allocation	of which salaries
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			CENTRAL SCHEMES		
1	central	TP	CSS of Integrated Child Development Service	8949.46	8949.46

			SALARY SCHEMES		
1	State	ZP	Payment of Additional Honorarium to Anganwadi Workers	1778.45	1778.45
2	State	ZP	Women Development Dept. – Establishment & Administration	90.99	90.99
SUBTOTAL FOR SALARY SCHEMES				1869.44	1869.44

CONSTRUCTION SCHEMES

1	State	TP	Construction of Anganwadi Buildings	308.55	
			WOMENS SOCIAL JUSTICE SCHEMES		
1	State	TP	Widow & Devadasis' Re-marriages	13.55	
2	State	TP	Financial Assistance to Mahila Mandals	5.60	
SUBTOTAL FOR WOMEN'S SOCIAL JUSTICE SCHEMES				19.15	

NUTRITION AND CHILD CARE SCHEMES

1	State	TP	Creches for working Women	21.08	
2	State	ZP	Namma Magalu Namma Shakti	364.29	
3	State	TP	Pre- school Children Feeding Programme (MNP)	4826.00	
4	State	ZP	Scheme for Care & Maintenance of Destitute Children	155.29	

SUBTOTAL FOR NUTRITION AND CHILD CARE SCHEMES				5366.66	
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10			GRAND TOTAL	16513.26	10818.90
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TABLE 36
WOMEN AND CHILD WELFARE DEPARTMENT
Abstract of district sector schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	10	16513.26
2	Central Schemes	1	8949.46
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	1	8949.46
5	State sector schemes (1-4)	9	7563.80
6	Salary component of state schemes	2	1869.44
7	Balance non-salary component available (5-6)	7	5694.36
8	Amount already untied, rationalised or converged	0	0.00
9	Balance available for untying (7-8)	7	5694.36
10	FIRST ORDER UNTYING		
10A	CONSTRUCTION AND MAINTENANCE	1	308.55
10B	WOMENS SOCIAL JUSTICE	2	19.15
	TOTAL FOR FIRST ORDER UNTYING	3	327.70
11	SECOND ORDER UNTYING		
11A	NUTRITION AND CHILD CARE SCHEMES	4	5366.66
11D	TOTAL FOR SECOND ORDER UNTYING	4	5366.66

SCHEDULED CASTES & SCHEDULED TRIBES WELFARE DEPARTMENT:

The programmes undertaken by the SC/ST department in the District Sector are especially difficult to rationalize using the same guiding principles adopted in this report for dealing with other departments. The reason for this complexity is that the programmes of the SC/ST Welfare Department are directed towards several outcomes, ranging from the provision of infrastructure such as roads, drinking water and housing, to education, the agriculture sector and schemes aimed at imparting social justice to STs.

At the same time, there is a pressing need to ensure that schemes meant for the SCs & STs are delivered to them meaningfully and quickly, with the minimum of red tape. The current strategy adopted by the Government in this regard has been to pool funds meant for the benefits of SC/ST from various departments and bring them under the direct control of Social Welfare Department. Pooled funds have thus been created in the State and District sectors. The same approach has also been adopted with respect to the Tribal Sub plan.

While the principle behind pooling is sound, the process leaves much to be desired. While pooling, schemes and their operating heads of accounts have been transferred to the SC/ST welfare department along with all their complexity. Combined with the plethora of existing schemes implemented by the SC/ST welfare department, this has resulted in a complex system of classification of heads of accounts, with a high degree of overlapping and duplication.

The Working Group has analysed schemes coming under the SC/ST welfare department under 3 broad categories, namely, SCP, TSP and departmental schemes. Within each category, an exercise of First order untying, namely, rationalization and convergence around outcomes, has been undertaken. These details can be seen in Tables 37 to 43. There is a possibility that schemes pertaining to these outcomes could subsequently be further untied so that there is inter-outcome flexibility for transfer of funds. However, we suggest that since the pooling concept is itself under observation and implementation, such flexibility could be progressively introduced.

The next issue concerns the level at which the district sector schemes ought to be pooled for the purposes of implementation. In Note No.SWD 151 SLP 2001 dated 25.2.2002, the Social Welfare Department has already prepared the modalities and priorities for the utilization of District sector SCP and TSP funds. However, this order still provides for the development of detailed action plans in a hierarchical manner at the district level. We believe that with a greater emphasis towards decentralization, the administration of pooled SCP funds is best done at the taluk level rather than at the district level. The taluk level allows for greater attention to be given to pockets of deprivation within SC/ST population. The taluk level is also a better level for the operation of consultative committees that could supervise the usage of pooled funds.

Such committees may also include outside activists for proper supervision and implementation of social sector plans. The taluk level is also appropriate because at that level, systems of downward accountability have a greater chance of success than at the district level. Currently, the Taluk Panchayat allows for ex-officio membership of Grama Panchayat office bearers, thus giving an opportunity for them ensure that their priorities in the social sector also find a place in the taluk's social sector plan.

The tables that form part of this section are as follows:

Table no	Description of table
37	Details of all district sector schemes in the Special Component Plan
38	Abstract of district sector schemes showing untying possibilities
39	Details of all district sector schemes in the Tribal Sub-Plan
40	Abstract of district sector schemes showing untying possibilities
41	Details of all departmental district sector schemes, other SCP & TSP
42	Abstract of district sector schemes showing untying possibilities

TABLE 37
SCHEDULED CASTES & SCHEDULED TRIBES
WELFARE DEPARTMENT
Details of all district sector schemes in the Special
Component Plan

Sl.No.	state/ central	impleme nting PRI	Name of the Scheme	Allocation	of which salaries
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CENTRAL SCHEMES

1	Central	TP	Lumpsum Grants	1100.07	
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STATE SCHEMES

			PRIMARY SECTOR		
16	State	TP	Minor Irrigation – Community Irrigation Wells	205.30	
17	State	TP	Agriculture	165.18	
21	State	TP	Animal Husbandry	135.05	
24	State	TP	Sericulture	105.85	
27	State	TP	Horticulture	90.40	
32	State	TP	Soil & Water Conservation	50.33	
48	State	TP	Forest	23.04	
58	State	TP	Fisheries	10.85	
SUBTOTAL FOR SCP PRIMARY SECTOR				786.00	0.00

			DRINKING WATER		
3	State	TP	Rural Water Supply – Mini Water Supply	726.43	
6	State	TP	Rural Water Supply – Borewells	447.83	
SUBTOTAL FOR SCP PRIMARY SECTOR				1174.26	0.00

			ENTREPRENEURSHIP		
26	State	TP	Village & Small Industries	91.20	
54	State	TP	Handloom	13.80	
SUBTOTAL FOR SCP PRIMARY SECTOR				105.00	0.00

			WORKS		
2	State	TP	Roads and Bridges	879.30	
			SUBTOTAL FOR WORKS	879.30	
			SOCIAL JUSTICE		
23	State	TP	Community Hall	119.72	
62	State	TP	Direction & Administration	8.25	8.25
69	State	TP	Repairs of SC Houses	3.28	
SUBTOTAL FOR SCP SOCIAL JUSTICE				131.25	8.25

GRAND TOTAL FOR SCP STATE SECTOR SCHEMES				3075.81	8.25
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TABLE 38
SCHEDULED CASTES & SCHEDULED TRIBES
WELFARE DEPARTMENT
Abstract of district sector SCP schemes showing untying possibilities

	Details	no. of schem es	amount (Rs. lakhs)
1	District sector plan schemes	17	4175.88
2	Central Schemes	1	1100.07
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	1	1100.07
5	State sector schemes (1-4)	16	3075.81
6	Salary component of state schemes	1	8.25
7	Balance non-salary component available (5-6)	15	3067.56
8	Amount already untied, rationalised or converged		0.00
9	Balance available for untying (7-8)	16	3067.56
10	FIRST ORDER UNTYING		
10A	PRIMARY SECTOR	8	786.00
10B	DRINKING WATER	2	1174.26
10C	ENTREPRENEURSHIP	2	105.00
10D	WORKS	1	879.30
10E	SOCIAL JUSTICE	2	123.00

TABLE 39
SCHEDULED CASTES & SCHEDULED TRIBES
WELFARE DEPARTMENT
Details of all district sector schemes in the Tribal Sub-
plan

Sl.No.	state/ central	imple mentin g PRI	Name of the Scheme	Allocati on
			CENTRAL SCHEMES	
3	central	TP	Lumpsum Grants	1030.78

STATE SCHEMES

			PRIMARY SECTOR	
33	State	TP	Animal Husbandry and Veterinary services	49.93
34	State	TP	Agriculture	43.20
36	State	TP	Horticulture	38.75
38	State	TP	Sericulture	33.80
46	State	TP	Minor Irrigation Community Irrigation wells	25.80
51	State	TP	Soil and Water Conservation	17.40
56	State	TP	Forestry and Wildlife	12.00
63	State	TP	Supply of Bullocks	5.40
72	State	TP	Supply of Pumpsets	2.20
			SUBTOTAL FOR TSP PRIMARY SECTOR	228.48

			DRINKING WATER	
18	State	TP	Rural Water Supply-Borewells	155.40
			SUBTOTAL FOR TSP DRINKING WATER	155.40

			WORKS	
19	State	TP	Roads and Bridges	158.62
			SUBTOTAL FOR TSP WORKS	158.62

			ENTREPRENEURSHIP	
43	State	TP	Village & Small Industries	27.53
			SUBTOTAL FOR TSP ENTREPRENEURSHIP PGMS.	27.53

			SOCIAL JUSTICE	
31	State	TP	Rural Health	52.05
37	State	TP	Welfare of SCs & STs (Primitive Tribes)	35.18
44	State	TP	Repairs to Tribal Houses	25.95
45	State	TP	Construction of Tribal Houses	25.90
			SUBTOTAL FOR TSP SOCIAL JUSTICE	139.08

			GRAND TOTAL FOR STATE SECTOR TSP	595.93
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TABLE 40
SCHEDULED CASTES & SCHEDULED TRIBES
WELFARE DEPARTMENT
Abstract of district sector TSP schemes showing untying possibilities

	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	17	1739.89
2	Central Schemes	1	1030.78
3	Centrally sponsored schemes	0	0.00
4	Total of central schemes (2+3)	1	1030.78
5	State sector schemes (1-4)	16	709.11
6	Salary component of state schemes		0.00
7	Balance non-salary component available (5-6)	16	709.11
8	Amount already untied, rationalised or converged		0.00
9	Balance available for untying (7-8)	16	709.11
10	FIRST ORDER UNTYING		
10A	PRIMARY SECTOR	9	228.48
10B	DRINKING WATER	1	155.40
10C	ENTREPRENEURSHIP	1	27.53
10D	WORKS	1	158.62
10E	SOCIAL JUSTICE	4	139.08
11D	TOTAL FOR FIRST ORDER UNTYING	16	709.11

TABLE 41
SCHEDULED CASTES & SCHEDULED TRIBES
WELFARE DEPARTMENT
Details of all district sector schemes other than SCP & TSP

Sl.N o.	state/ centra l	imple menti ng PRI	Name of the Scheme	Allocati on	of which salaries
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CENTRAL SCHEMES

1	central	TP	Post-Matric Scholarship to Schedule Castes	1074.00	
2	central	TP	Post-Matric Scholarship to Schedule Tribes	401.25	
			SUBTOTAL FOR CENTRAL SCHEMES	1475.25	

CENTRALLY SPONSORED SCHEMES

1	CS	TP	CSS of Removal of Untouchability	168.04	
2	CS	ZP	Construction of SC/ST Govt. Hostel Buildings	84.31	
3	CS	TP	Prematric Scholarship to the Children of those Engaged in Unclean Occupation	54.94	
4	CS	ZP	CSS of Book Banks of Medical and Engineering Colleges.	43.88	
5	CS	GP	CSS of Book Banks of Medical and Engg.Colleges	2.82	
6	CS	GP	CSS of Removal of Untouchability	2.68	
7	CS	GP	Prematric Scholarship to the Children of those Engaged in Unclean Occupation	1.72	

SUBTOTAL FOR CENTRALLY SPONSORED SCHEMES	358.39	
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STATE SCHEMES

			EDUCATION SECTOR SCHEMES		

HOSTELS (PARTLY SALARIES AND OTHER ASSISTANCE)					
1	State	TP	Pre-matric Hostels	1257.61	377.283
2	State	ZP	Govt. College Hostels	344.92	103.476
3	State	ZP	Grant-in-Aid to Private Hostels	86.78	
4	State	ZP	Hostels	31.14	9.342
5	State	ZP	Strengthening of Hostels	23.49	7.047
6	State	ZP	Starting of Govt. Hostels for College Students	4.88	1.464
7	State	ZP	Assistance to Voluntary Agencies for Construction of Hostels	3.80	
8	State	ZP	Post-Matric Hostels for Technical Students	2.70	
SUBTOTAL FOR HOSTELS (PARTLY SALARIES AND OTHER ASSISTANCE)				1755.32	498.61

SCHOLARSHIPS AND STIPENDS					
1	State	TP	Award of Scholarships to Students of I to IV Stds.	638.81	
2	State	TP	Award of Scholarships to Students of I to IV Stds.	308.00	
3	State	TP	Award for Prematric Scholarship	307.89	
4	State	TP	Award of Prematric Scholarships to ST Students	207.83	
5	State	TP	Award of Merit Scholarship	42.11	
6	State	ZP	Award of Prize Money to College Students	33.10	
7	State	TP	Prize Money to SSLC Students	18.10	
8	State	TP	Award of Merit Scholarships	15.95	
9	State	TP	Stipends to Trainees in I.T.Is./I.T.Cs.	12.21	
10	State	TP	Prize Money to College Students	8.82	
11	State	TP	Prize Money to SSLC Students	5.12	

SUBTOTAL FOR SCHOLARSHIPS AND STIPENDS	1597.94	
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SCHOOLS					
1	State	ZP	Assistance to Morarji Desai Residential School	462.71	462.71
2	State	ZP	Ashram Schools	73.07	73.07
3	State	ZP	Residential Schools	70.40	70.4
4	State	ZP	Sainik Training Schools for SC/ST Children	4.44	
SUBTOTAL FOR SCHOOLS				610.62	606.18

EDUCATION SUBSIDIES					
1	State	TP	Payment of Extra Boarding & Lodging Charges	281.72	

2	State	TP	Payment of Extra Boarding & Lodging Charges to Post Matric Students	96.80	
3	State	TP	Subsidy to Law Graduates	33.68	
4	State	TP	Supply of Sewing Machine	28.85	
5	State	ZP	Administration Training to Law Graduates	14.76	
6	State	ZP	Training Centre for Self – Employment	11.71	3.513
7	State	ZP	Supply of Equipment to Engg. students	9.00	
8	State	TP	TCH Training for Girls	1.90	
9	State	TP	Stipend to Trainees of ITIs & ITCs.	0.65	
			SUBTOTAL FOR EDUCATION SUBSIDIES	479.07	3.513

			TOTAL FOR EDUCATION SECTOR	4442.95	1108.31
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HOUSING SECTOR					
1	State	ZP	Repairs to ST Houses	4.00	
2	State	ZP	Subsidy for Construction of Houses	2.60	
3	State	TP	Providing Electricity to ST Houses	1.00	
4	State	TP	Providing Electricity to SC Houses	0.17	
			SUBTOTAL FOR HOUSING SECTOR	7.77	

SOCIAL JUSTICE SECTOR					
1	State	ZP	Executive Establishment	354.82	354.82
2	State	ZP	Study Tour charges	8.74	
3	State	ZP	Land Acquisition Charges for Burial Ground	2.00	
4	State	ZP	Training Centre for Self-Employment	1.75	
5	State	ZP	Study Tour Charges	1.30	
			SUBTOTAL FOR SOCIAL JUSTICE SECTOR	368.61	354.82

WORKS					
1	State	TP	Additions and Alterations	223.78	
2	State	ZP	Construction of SC/ST Hostel Buildings	219.95	
3	State	ZP	Hostels	210.34	63.102
4	State	ZP	Residential Schools – Navodaya Pattern	143.04	143.04
5	State	TP	Maintenance of Buildings	128.74	
6	State	TP	Hostels – Additions & Alterations	21.40	
			SUBTOTAL FOR WORKS	947.25	206.142

			GRAND TOTAL FOR STATE SCHEMES	5766.58	1669.27
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TABLE 42
SCHEDULED CASTES & SCHEDULED TRIBES
WELFARE DEPARTMENT

**Abstract of departmental district sector schemes other than
SCP & TSP showing untying possibilities**

	SOCIAL WELFARE DEPARTMENT		
	Details	no. of	Amount
		schemes	(Rs. Lakhs)
1	District sector plan schemes	56	7600.22
2	Central Schemes	2	1475.25
3	Centrally sponsored schemes	7	358.39
4	Total of central schemes (2+3)	9	1833.64
5	State sector schemes (1-4)	47	5766.58
6	Salary component of state schemes	5	1669.27
7	Balance non-salary component available (5-6)	42	4097.31
8	Amount already untied, rationalised or converged	0	0.00
9	Balance available for untying (7-8)	42	4097.31
10	FIRST ORDER UNTYING		
10A	EDUCATION	27	3334.64
10B	HOUSING	4	7.77
10C	SOCIAL JUSTICE	5	13.79
10D	WORKS	6	741.11
11D	TOTAL FOR FIRST ORDER UNTYING	42	4097.31

TABLE 43

RURAL DEVELOPMENT AND PANCHAYAT RAJ DEPARTMENT

Details of all district sector schemes

The rural development department offers limited possibilities for untying of funds for two reasons. First, much of the funding of the department comprises of Central and Centrally Sponsored funds, which are outside the scope of our untying exercise. Second, in the State sector, four important allocations are already untied. However, this is not to say that there is no scope for rationalization and untying. Two areas that need rationalization are the funding for roads and drinking water. In the case of drinking water, there are no less than 25 head that can be operated, including 15 in the state sector. Similarly, there are 18 sub-heads in the roads sector.

With respect to the roads sector, we have also provided an additional table showing how much money is available in the State sector too, towards rural roads. This is only a pointer to show how much the rationalization exercise needs to be carried out in the state sector too.

Sl.No.	state/ central	imple mentin g PRI	Name of the Scheme	Allocation	of which salaries
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			CENTRAL SECTOR SCHEMES		
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			CENTRAL SCHEMES		
1	State	ZP	Grants to Panchayat Raj Institutions under EFC Recommendations	7882.00	
2	central	ZP	Piped Water Supply Scheme (ARWS)	4074.50	
3	central	ZP	Integrated Development of Western Ghat Region (100% Centre)	1615.18	
4	central	GP	Maintenance of Piped water Supply Schemes	1419.06	
5	central	ZP	Mini Water Supply Scheme – Normal	1364.78	
6	central	GP	Maintenance of Mini-Water Supply Scheme	1200.32	
7	central	ZP	Borewells with Hand Pumps – Normal	1015.01	
8	central	ZP	Rural Sanitation	927.50	
9	central	ZP	Mini Water Supply Schemes – SCP	868.84	
10	central	ZP	Borewells (HPS) – SCP	596.65	
11	central	ZP	Borewells HPs – TSP	116.75	
12	central	ZP	Open Wells for Water Supply Under Gravity	76.50	
SUBTOTAL FOR CENTRAL SCHEMES				21157.09	

CENTRALLY SPONSORED SCHEMES					
1	CSS	GP	Jawahar Grama Samruddi Yojana	8788.23	
2	CSS	TP	Indira Awas Yojana	7866.07	
3	CSS	ZP	Employment Assurance Scheme	6129.61	
4	CSS	ZP	Swarna Jayanthi Gram Swarozgar Yojana	3444.71	
5	CSS	ZP	DPAP (50:50)	2646.00	
6	CSS	ZP	DRDA Administration Charges	1559.02	1559.02
7	CSS	ZP	DDP (25:75)	1217.92	
8	CSS	TP	Credit-cum-subsidy for Rural Housing	757.60	
9	CSS	TP	National Project on Improved Choolas	134.50	

SUBTOTAL FOR CENTRALLY SPONSORED SCHEMES	32543.66	1559.02
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TOTAL FOR CENTRAL AND CENTRALLY SPONSORED SCHEMES	53700.75	1559.02
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STATE SCHEMES

SALARIES AND MAINTENANCE					
1	State	TP	Taluk Panchayat Grants	1291.80	1291.80
2	State	TP	SGSY Monitoring cell –Block Assistance to Zp's & Gp's	962.94	962.94
3	State	ZP	Zilla Panchayat Maintenance Grants	374.59	374.59
SUBTOTAL FOR SALARIES AND MAINTENANCE SCHEMES				2850.13	2629.33

FUNDS ALREADY UNTIED					
1	State	GP	Grants to Grama Panchayats	11318.00	
2	State	GP	Development Grants to Grama Panchayat	8488.50	
3	State	TP	Development Grants to Taluk Panchayat	700.00	
4	State	ZP	Development Grants to Zilla Panchayat	216.00	
SUBTOTAL OF FUNDS ALREADY UNTIED				20722.50	

IRRIGATION AND WATER MANAGEMENT					
1	State	ZP	Restoration of Old & Breached Tanks & De-silting of Tanks	309.59	
2	State	ZP	Construction and Modernisation of Anecuts, Pickups and Feeder Channels	244.64	
3	State	ZP	Construction of New Tanks	120.03	

4	State	TP	Ganga Kalyan Schemes	76.70	
5	State	ZP	Land Acquisition Charges	52.00	
6	State	TP	Khar Land or Salt Water Exclusion Dams	30.00	
7	State	ZP	Machinery and Equipment	26.30	
8	State	TP	Deepening of Wells and Construction of Tanks	19.00	

SUBTOTAL FOR IRRIGATION AND WATER MANAGEMENT				878.26	
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			ROADS		
1	State	ZP	Construction of New Bridges and Culverts and Improvements to existing roads	782.89	
2	State	ZP	Asphalting of Roads Treating Sub Grade and Preparing the Surface	713.25	
3	State	ZP	Rural Communication	352.56	
4	State	TP	Asphalting Roads in Village Limits	347.15	
5	State	ZP	Other Roads Formation	294.43	
6	State	ZP	Halli Heddari	226.82	
7	State	ZP	Sethu Bandan	179.46	
8	State	ZP	Rural Communication	158.55	
9	State	ZP	Master Plan for Rural Roads	99.51	
10	State	ZP	Formation of Roads in Sugar Factory Areas	69.05	
11	State	ZP	Construction of Roads with People's Participation	56.59	
12	State	ZP	Machinery and Equipment	45.75	
13	State	ZP	Other Rural Communication	34.35	
14	State	ZP	Formation of Roads in Sugar Factory Areas	32.00	
15	State	ZP	Direction And Administration	22.07	
16	State	ZP	Land Acquisition Charges	10.00	
17	State	ZP	Railway Safety Works	6.00	
18	State	ZP	Investigation (Survey)	3.55	
			SUBTOTAL FOR ROADS	3433.98	

			DRINKING WATER		
1	State	ZP	Piped Water Supply Scheme	2318.69	
2	State	TP	Maintenance of Borewells	820.62	
3	State	ZP	Mini Water Supply Scheme – Normal	777.42	
4	State	ZP	Piped water Supply Schemes Augmentation	658.47	
5	State	ZP	Piped Water Supply Scheme Revival	572.36	

6	State	ZP	Borewells – (H.Ps) Normal	348.18	
7	State	ZP	Mini Water Supply Scheme (Revival)	314.56	
8	State	ZP	Borewells (HPS) – Revival	205.92	
9	State	ZP	Borewells (HPS) Rejuvenation	145.22	
10	State	ZP	Open Wells – ZP	144.55	
11	State	ZP	District Level Water Testing Laboratories	70.87	
12	State	ZP	Water Supply under Gravity	42.75	
13	State	ZP	Machinery and Equipment	24.22	
14	State	ZP	Environmental Component	22.96	
15	State	ZP	Care taker Training Programme	19.87	
			SUBTOTAL FOR DRINKING WATER	6486.66	

ADMINISTRATION

1	State	ZP	Construction of ZP Office Buildings	209.00	
2	State	ZP	Natural Resources Data Management System	20.00	
3	State	ZP	Direction and Administration	11.80	
			SUBTOTAL FOR ADMINISTRATION	240.80	

1	State	TP	Integrated Rural Energy Programme	397.60	
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GRAND TOTAL FOR STATE SECTOR SCHEMES	34789.13	4188.35
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TABLE 44
RURAL DEVELOPMENT AND PANCHAYAT RAJ
WELFARE DEPARTMENT
Abstract of departmental district sector schemes showing
untying possibilities

RURAL DEVELOPMENT & PANCHAYAT RAJ DEPARTMENT			
	Details	no. of schemes	amount (Rs. lakhs)
1	District sector plan schemes	73	88489.88
2	Central Schemes	12	21157.09
3	Centrally sponsored schemes	9	32543.66
4	Total of central schemes (2+3)	21	53700.75
5	State sector schemes (1-4)	52	34789.13
6	Salary component of state schemes	3	2629.33
7	Balance non-salary component available (5-6)	49	32159.80
8	Amount already untied	4	20722.50
9	Balance available for untying or rationalisation (7-8)	45	11437.30
10	FIRST ORDER UNTYING		
10A	IRRIGATION AND WATER MANAGEMENT	8	878.26
10B	ROADS	18	3433.98
10C	DRINKING WATER	15	6486.66
10D	ADMINISTRATION	3	240.80
10E	RURAL ENERGY	1	397.60
10F	TOTAL FOR FIRST ORDER UNTYING	45	11437.30

TABLE 45
Details of Schemes in the PWD's State Sector that
concern village roads

Sl no.	Head of Account	Name of the Scheme	Allocation
1	5054-04-800-3-01	Rural Roads	12056.00
2	3054-80-191-1-01	Block Grants to Zilla Panchayats and Grama Panchayats	11433.98
3	3054-04-337-1-01	Prime Minister's Gramodaya Sadak Yojana	9600.00
4	2059-80-191-1-01	Block Assistance	8586.40
5	3054-03-337-0-04	Road Maintenance to Meet Tenth Finance Commission Norms	7303.38
6	5054-04-800-3-02	Rural Bridges	2500.00
7	3054-04-800-1-02	Repairs to Roads in Ayacut Area	1442.77
8	5054-04-800-1-04	Development of Roads in Sugar Factory Areas	270.00
9	5054-03-337-0-07	Special Development of Roads in Assembly Constituencies	43.00
10	5054-04-337-1-03	Commemoration of 50th Anniversary of Independence – Approaches Roads to Unconnected Villages	30.00
11	5054-05-337-1-01	Road Works	10.00
12	5054-05-337-2-01	Road Works	10.00
		TOTAL	53285.53

TABLE 1

Details of Expenditure for the 1911-12 Season

in the Department of Agriculture

Particulars	Amount	Head of Account
1. Salaries and Wages	20,000.00	1
2. Travelling Expenses	5,000.00	2
3. Stationery and Printing	1,000.00	3
4. Postage	500.00	4
5. Rent of Buildings	2,000.00	5
6. Repairs to Buildings	1,000.00	6
7. Fuel and Light	1,500.00	7
8. Water and Electricity	1,000.00	8
9. Telephone	500.00	9
10. Postage and Telegrams	500.00	10
11. Stationery and Printing	500.00	11
12. Travelling Expenses	500.00	12
Total	50,000.00	

1. Salaries and Wages	20,000.00
2. Travelling Expenses	5,000.00
3. Stationery and Printing	1,000.00
4. Postage	500.00
5. Rent of Buildings	2,000.00
6. Repairs to Buildings	1,000.00
7. Fuel and Light	1,500.00
8. Water and Electricity	1,000.00
9. Telephone	500.00
10. Postage and Telegrams	500.00
11. Stationery and Printing	500.00
12. Travelling Expenses	500.00
Total	50,000.00



**Department of Rural Development and Panchayat Raj
Government of Karnataka**

M.S. Building, Dr. Ambedkar Veedhi, Bangalore 560 001